

DUN AND BRADSTREET MONTHLY REVIEW

DECEMBER, 1933

The Work of the Home Owners'
Loan Corporation

Three Important Inventory Ratios

Industrial Surveys:
Dry Goods Drugs



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THE ACTIVITY BAROMETER



DECEMBER 6, 1933 NOVEMBER 1, 1933
62.3 58.7

The Barometer has gained consistently for the past three weeks. In that time it has risen nearly three full points from 59.4 to 62.3. The current figure of 62.3 is also nearly 10 points above the figure of the first week of December, 1932. This well-sustained gain is particularly encouraging because December is normally a month of declining industrial activity. The Barometer, in gaining in a usually quiet period and in remaining well above the level of last year, reflects the broad industrial recovery that has now been in visible evidence for a number of months.

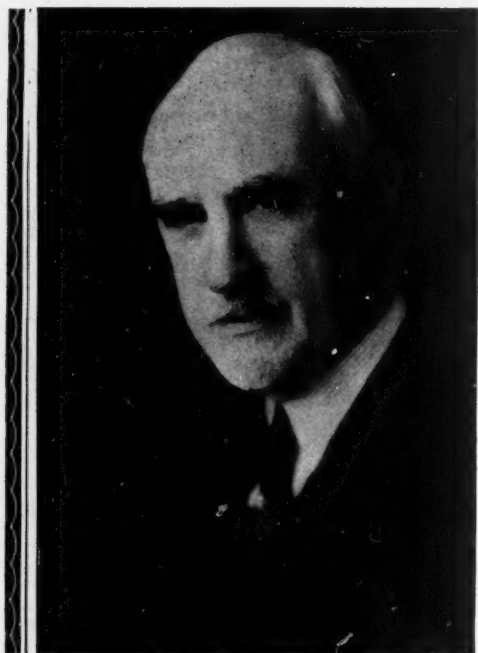
Week	Barometer
December 7, 1932.....	52.9
November 1, 1933.....	58.7
November 8, 1933.....	58.2
November 15, 1933.....	60.0
November 22, 1933.....	59.4
November 29, 1933.....	61.2
December 6, 1933.....	62.3

THIS ISSUE

"The Work of the Home Owners' Loan Corporation" is an explanation of the functioning and objectives of a major unit in the recovery program. It is based entirely upon recent public comment on this subject by the Honorable John H. Fahey, Chairman of the Federal Home Loan Bank Board and the Home Owners' Loan Corporation.

"Three Important Inventory Ratios" is a sequel to "Three Important Balance Sheet Ratios" which appeared in the August issue of the Review. The author, Mr. Roy A. Foulke, Manager, Analytical Report Department, Dun & Bradstreet, Inc., not only indicates which are the most significant inventory ratios, but he also explains in detail the direct relationship between successful management and careful inventory control.

Two primary industries, Dry Goods and Drugs, are surveyed in this issue. In each, current production is analyzed in relation to price and marketing trends. All economic factors relevant to the current status of the industry are also reviewed. The surveys are prepared by Raymond Brennan, Associate Editor of the Review, in collaboration with the research and field organizations of Dun & Bradstreet, Inc.



HONORABLE JOHN H. FAHEY

Chairman of the Federal Home Loan Bank Board and
the Home Owners' Loan Corporation

THE WORK OF THE HOME OWNERS' LOAN CORPORATION

THE Home Owners' Loan Corporation is a major component of our recovery program. Its functions are of direct interest to the small home owner, who represents a high percentage of our population. The program which it is pursuing so vigorously is one of broad, national scope. The successful conduct of this program implies a strengthening of a number of basically important economic relationships, such as those of the individual home owner, the local bank and the local real estate market, which are admitted to be of far-reaching consequence.

There is no one in a better position to explain the aims and purposes of the Home Owners' Loan Act than the Honorable John H. Fahey, the recently appointed Chairman of the Federal Home Loan Bank Board and the Home Owners' Loan Corporation. Since assuming his new office, Mr. Fahey has, on several occasions, publicly interpreted the functioning and structure of the Home Owners' Loan Corporation and has explained in detail the objectives and

ideals which motivate its administration.

In a broadcast over the network of the National Broadcasting Company on November 29, Mr. Fahey outlined the position and characteristics of the Home Owners' Loan bonds. He said, in part:

"The bonds, which are offered to the present holder of the mortgage run for 18 years. The interest on them is at the rate of 4 per cent and is guaranteed by the United States Government. The investment is tax free, except for inheritance, estate, surtaxes, and gift taxes.

"These are sound bonds on which the holder is not only certain of his interest but may be equally sure of full payment of principal when due. They are the bonds of a mortgage bank with the largest subscribed capital of any such institution ever organized and all that capital—two hundred million dollars—represented by stock is provided in cash by the United States Government—your Government.

"The Corporation has the right to issue two billion dollars in bonds which, it is to be remembered, are backed not only by this large cash capital but by first mortgages on American homes owned by honest and industrious Americans. The good faith of your Government is behind these securities for it is the sole owner of the Corporation stock and is responsible for the efficient conduct of its affairs.

"Because of monthly payments of interest and principal by mortgagors, large sums of money will regularly flow into the treasury of the Corporation when it is in full operation. Under the law, this money *must* be applied to the regular retirement of the bonds. As the bonds decrease in amount and those who owe the Corporation regularly reduce their debt, the security behind the loans increases. Aside from this, it is evident that as the Corporation takes two billions of real estate out of a market which has been hopelessly depressed, the value of homes must rise. The margin of protection be-

hind the Corporation's bonds is thus increased steadily while its operations benefit every mortgage lender and home owner in the country by increasing the value of their assets.

Collateral Rating High

"These bonds are given the highest collateral rating by the Reconstruction Finance Corporation and the United States Treasury. The Reconstruction Finance Corporation will advance 80 per cent of their par value to any established financial institution. The Treasury Department accepts the bonds at their par value as security for United States Government deposits. The Corporation itself must accept the bonds at their face value in payment of interest or principal on mortgages at any time. There are few securities anywhere better protected or more carefully safeguarded.

"The success of the Home Owners' Loan Corporation is as important to every savings bank, building and loan association, insurance company, and other mortgage lender as it is to all home owners and real estate interests, since the continuance of a condition under which it is practically impossible to sell homes at anything like fair value is a menace to the safety of every financial institution. We cannot expect to attain that prosperity which this country has a right to enjoy if we are to deprive hundreds of thousands of people of the homes they have struggled so hard to own and turn armies of our citizens into the streets.

"The worth of a sound bond is not to be measured by the price at which it may temporarily be sold in an unstable market. Hundreds

of the very best bonds to be found anywhere are frequently quoted at prices which have no sane relation to their intrinsic value because of the effects of unreasoning fear and uncontrolled speculation. In most cases today the mortgagor who forces the sale of a home cannot get the fair value of his mortgage unless he takes from the home owner an equity which honestly belongs to the owner. When the

part with these valuable bonds and place their savings in unsound stocks and worthless pieces of paper with resulting losses running into hundreds of millions of dollars. The people of this country should never forget that bitter experience. They should hold tenaciously to the bonds of their Government and those for the safety of which it is responsible. The Home Owners' Loan Corporation

is often criticized because its work seems to be slow. Doubtless, some of this criticism is warranted but it is fair to consider that this is the most far-reaching undertaking of the kind ever attempted and it is surrounded by many complications. In a comparatively few weeks a great organization had to be created, composed of men who with few exceptions had never before worked together. Mistakes were inevitable and, of course, many were found unequal to the task and had to be changed. Over six hundred thousand applications from anxious home owners quickly overwhelmed the offices of the Corporation and tons of mail engulfed its employees as soon as our

offices were open. It takes time to investigate such a flood of demands, sort out those requiring immediate attention and arrange for the necessary appraisals and title examinations which must be carefully made in order to be sure that no one is treated unjustly. Up to this week, loans to a total of over one billion nine hundred million dollars have been applied for. One hundred and sixty thousand loans, amounting to over four hundred and fifty millions of dollars, have been approved subject only to the necessary final checking of values

HONORABLE JOHN H. FAHEY

Mr. Fahey was born in Manchester, New Hampshire, in 1873. After graduating from high school he became a reporter on the "Manchester Mirror." Twenty years later he purchased this paper and became its editor and publisher. From Manchester he went to New Haven to join the Eastern Associated Press. Later he went to Boston as Day Manager of the Associated Press. In 1903 he withdrew from Press Association work to become president, publisher and principal owner of the "Boston Traveler," one of the oldest evening papers in the United States. In 1910 Mr. Fahey disposed of the "Boston Traveler" and for the next 15 years devoted his attention to the investment security business as head of John H. Fahey & Co. During this period he became president of the Clarke Press, Manchester, N. H., and president and principal owner of the "Worcester Evening Post," Worcester, Mass. These interests he still retains.

In 1915 Mr. Fahey was appointed by President Wilson to the United States Section of the Inter-American High Commission. He was reappointed by President Harding, President Coolidge and President Hoover. For nine years Mr. Fahey was a member of the Board of Directors of the Boston Chamber of Commerce. After assisting to organize, and serving as second president of, the United States Chamber of Commerce, he served for a number of years as a member of the Senior Council of the Chamber.

In June, 1933, Mr. Fahey was appointed by President Roosevelt as a member of the Federal Home Loan Bank Board. Effective November 13, 1933, he was appointed by the President as Chairman of the Federal Home Loan Bank Board and the Home Owners' Loan Corporation.

mortgagee receives for the full and fair value of his mortgage, bonds on which he is certain of receiving his interest at a fair rate, and full payment of principal when due, he is getting all he is entitled to and he has no right to more.

"It is well to remember that during the war millions of people were encouraged to become investors, to their own great advantage, through the purchase of the greatest securities in the world—Liberty Bonds. Unfortunately, too many of them were later persuaded by designing promoters to

and titles. In a fairly short time all these loans should be closed. Already over twelve thousand loans have been cleared up and bonds issued in exchange for the mortgages. The loans amount to thirty-five million dollars and the pace is quickening every week. Every competent appraiser and attorney available for this highly specialized expert work is being brought into service wherever they can possibly be used and no effort is being spared to speed up. With the patience and assistance of home owners who have a right to consideration and co-operation of the banks and other mortgage lenders, it is hoped that this important feature of the recovery program will presently be making new records.

A Unit of Recovery Program

"It is not difficult for any thoughtful person to appreciate the immense opportunities for help to the entire country presented by the operations of the Home Owners' Loan Corporation. And yet it is but one unit in the great constructive program comprising of the efforts of the Farm Credit Administration, the National Recovery Administration, the Public Works Administration, the Agricultural Adjustment Administration, the Commodity Credit Corporation, the Civilian Conservation Camps, the Civil Works Administration, and the Reconstruction Finance Corporation. This great network of interlocking activities closely related to the regular Government Departments and driving ahead in so many directions to defeat depression, is so inclusive and compelling that comparatively few of our citizens really comprehend its significance and power."

Functioning Partly Misunderstood

In an address delivered at a dinner at the Union League Club of New York City on the evening of December 7, Mr. Fahey touched upon other essential features of the Home Owners' Loan Act. In part, he commented as follows:

"That the successful operation of the Home Owners' Loan Act of 1933 is primarily dependent upon the co-operation of the mortgagees and mortgage-lending institutions of our country is undeniable. With such co-operation the Federal Home Loan Bank Board and the Home Owners' Loan Corporation—the members of the Board being the directors of the Corporation—will contribute materially to the re-establishment of prosperity and the saving of countless American homes now confronted with foreclosure proceedings.

"Although we now have in operation in the several States, the District of Columbia and Hawaii, nearly three hundred main and branch offices, with all the attendant publicity as they swung into operation, there is still prevalent more or less misconception of our functions and our limitations.

"We estimate that possibly one-third of the home loan applications so far received are in the ineligible class; albeit the provisions of the law are plain and have been widely publicized through newspaper stories and editorials, radio addresses, forum speeches and many thousands of pamphlets issued by Washington or State headquarters. But the handling of such applications takes time, patience and the expense of investigation and correspondence.

"In that class outside the pale of eligibility are requests for loans on apartment houses, hotels, farm property, pretentious homes and even chattels. The law, of course, contemplates emergency relief only on homes at a newly-appraised value not exceeding \$20,000; the smaller homes in cities, towns and villages.

Emergency Relief is Aim

"We operate under an 'emergency law,' prompted by a special message of President Roosevelt transmitted to Congress on April 13 last. The President signed that law exactly two months later, issuing at the moment a statement urging mortgage holders 'to abstain' from summary foreclosures

in order that we might have time to set up our machinery for the relief of the really distressed home owners.

"Therefore, while the mortgagee is abstaining it is incumbent upon the mortgagor, so far as he can, to meet his obligations and then take up the major question of relief with the agencies of our Corporation.

"It is manifest that national recovery and national confidence cannot be restored if there continues a flood of home foreclosures such as has swept our land during the past three years. Men and women, under stress of circumstances over which they have had little or no control, and who are about to see their life savings sacrificed, cannot believe in or talk the gospel of recovery amid the human tragedies surrounding them.

"I have been happy to observe that there has been recently a diminution of foreclosures, taking the country by large, and many of you here tonight doubtless have contributed to the newer and better conditions.

"The Home Owners' Loan Corporation is not equipped, either with funds or authority, to take over every home mortgage in the country. It needs the assistance of savings banks, insurance companies, building and loan associations and other mortgagees, in these troublous times.

Restoration of Values Sought

"One objective is to restore real estate values to more normal levels. Every home that the Home Owners' Loan Corporation may rescue, with the direct or indirect help of the mortgagee, relieves just that much pressure on local real estate markets. It gradually lets down the home mortgage crisis, and all agencies of the Corporation, in every State in the Union are day by day working overtime to combat and ameliorate present conditions.

"In this process you will note, in our weekly reports, the word 'withdrawals' as to home loan applications. In most instances that means that through negotiation

with a mortgagee, who is trying to be of aid, our agencies have arranged for an extension of existing loans through the ordinary channels. For the time being, at least, such procedure meets the purposes and spirit of the law without recourse to Federal funds. It is all very helpful.

"Our last weekly report, for the week ending December 1, disclosed that the Home Owners' Loan Corporation is now closing loans at the rate of 550 per day on small urban homes. During the period covered the total dollar volume of such loans was slightly in excess of nine and a half million (\$9,500,000) dollars. I believe that will indicate to you an acceleration generally of our program which, I ask you to remember, got under way less than six months ago and necessarily had to wait for a while until we could carefully set up organizations in all sections.

"Our speeded-up machinery now embraces more than 12,000 employees in the field and in Washington and our drive within the past two or three weeks has been to obtain the services of the largest possible corps of competent real estate appraisers and title examiners so that every loan application may be handled both speedily and efficiently.

Closed Banks to be Aided

"This arrangement, (acceptance by Reconstruction Finance Corporation of Home Owners' Loan bonds as collateral) together with other financing plans which are being perfected, will soon make available to closed banks large amounts of cash for the payment of dividends to depositors. In co-operation with the Comptroller of the Currency, and the Bank Commissioners of the several States, the Corporation has started the appraisal of thousands of properties tied up in closed banks. This work will be advanced with all speed consistent with due consideration of values. As you are doubtless aware, the Comptroller of the Currency has ruled that, until further notice, he will per-

mit all national banks now operating to exchange home mortgages for the Corporation's bonds, and carry these bonds in their balance sheets at the valuation on which the banks have turned their mortgages over to the Corporation.

"The Home Loan Bank System, which, as you know, is a system of 12 Regional Banks, established for the purpose of affording rediscount facilities to savings banks, building and loan associations, insurance companies, and other mortgage lending institutions, is a permanent institution.

"The Home Loan Bank System has experienced a remarkable growth in recent months. Operating exclusively in the home mortgage field, along lines which parallel those of the Federal Reserve System, it promises presently to represent a rediscount banking system equal in strength and value to our Federal Reserve System. Its possibilities for the rediscount of mortgages by its members for long terms are almost unlimited. The bonds which the Regional Banks have a right to issue have such a high degree of protection as to place them almost in a class by themselves, and practically on a par with Government bonds. It should be possible in the years to come for this system to secure funds for the benefit of its members on a basis so low as to stimulate greatly home building and home ownership throughout the country, with greater safeguards than mortgage lending has ever before enjoyed in this country.

"Within the last two weeks the Corporation has been able to make great progress in dealing with home mortgages tied up in closed national and State banks. Loans against homes amounting to over nine hundred millions of dollars are involved in the affairs of these banks. In co-operation with the Comptroller of the Currency, State Bank Commissioners and the Reconstruction Finance Corporation, the Home Owners' Loan Corporation is now taking over these mortgages.

New Home Aid Visualized

"Your Government is interested not alone in saving from foreclosure every home which this Corporation can deal with under the act, but it is also interested in helping people to build new homes in the future. With this end in view, it incorporated in the Home Loan Act, provision for the development of Federal Savings and Loan Associations in these sections of the country which do not now enjoy the advantage of such associations. Practically half the counties of the United States have no such associations, through which people may accumulate their savings and acquire their homes on an economical basis.

"The opportunity for their useful development is very great and the Government has made a liberal appropriation to aid and encourage their establishment. It is also prepared to subscribe on an attractive basis half the necessary capital to start such associations where the need exists. Unfortunately, there is not time to explain to you in greater detail the advantages and the necessity for the development of these constructive associations.

"We should realize and be grateful for the fact that notwithstanding the hardships we have endured and the sacrifices we have made the spirit of America is undaunted.

"We know that the great mass of our people face the future undismayed and determined to carry forward to new and greater achievements this beloved democracy which holds unlimited possibilities of hope and happiness for all.

"There will be pauses in our progress. They are to be expected, for recovery from great economic disaster is necessarily interrupted and uneven. The greedy, the timid who have no confidence in themselves or any one else, the critics ever ready to tear down but never to construct, will all have their brief day, but all these will be forgotten in the abundant future of an America which nothing can stop."

THREE IMPORTANT INVENTORY RATIOS

by ROY A. FOULKE

Manager, Analytical Report Department, Dun & Bradstreet, Inc.

IN 1910 a small business was started quietly and inconspicuously in New York City by two young men who had formerly been employed by a concern engaged in the jobbing of silk piece goods. The business, like hundreds of thousands of others, began operations on a side street where rents were low, just about providing means of livelihood to the officers and the few employees.

The years went by, and then came the War and the Armistice followed by heavy speculation in commodities, prominent among them being sugar and raw silk. In 1919, a year without precedent in the annals of the raw silk market, the price of Japanese Filature No. 1 Shinshiu at New York had made the spectacular rise under speculative influences both here and in Japan from \$5.90 per pound on February 1 to \$12.60 on December 1, continuing its upward climb to \$16.85 on February 1, 1920 when the demand which had been almost limitless, suddenly and tragically collapsed. The downward course of the market then reversed the upward climb, and the year ended with a price of \$5.75 after a demoralization in the raw silk market lasting several months and when support was given to the Japanese market only with governmental assistance in the form of a buying syndicate.

All of these varied difficulties were encountered and gradually surmounted, the business grew, new ambitious young men were taken in, profits were earned steadily, and a substantial portion of the profits retained in the business as capital. As business conditions changed and styling became more important, the con-

cern had gone into converting operations but these changed operations had been entered into thoughtfully and conservatively as no dyeing, printing or finishing plants were acquired, all processes being carried on in outside mills.

By December 31, 1929—nineteen years of conscientious operations—the capital and surplus had grown in excess of \$1,000,000. The business had become a very important factor in the converting silk industry and as very little of its funds were represented by miscellaneous assets, the working capital amounted to around \$950,000. One feature of this December 31, 1929 balance sheet was strikingly unusual, an enormous inventory of \$2,800,000 which compared with previous year-end balance sheet inventories of around \$1,200,000. Such a sudden spectacular increase would indicate that something was palpably out-of-line. An investigation verified the fact that the inventory was admittedly large but prices had been very low in the last quarter of the year, and the management carefully explained that heavy purchases had been made in anticipation of an early upward trend.

The speculative instinct had erred. Silk prices failed to react upwards. All through 1930 until November, prices declined, month after month, month by month. The business depression which started in the Fall of 1929, gathered momentum at the turn of the year, stocks of raw silk in New York had mounted to an unprecedented total. Japan was experimenting unsuccessfully with silk stabilization plans, and warehouses at Yokohama and Kobe were accumulat-

ing heavy stocks in spite of restrictive influences such as the sealing of 20 per cent of the reeling basins in the filatures early in the year.

When December 31, 1930 came around the inventory was \$50,000 higher than the preceding year and this increase was accompanied by a loss of \$400,000 in working capital. More greige goods had been bought at each drop in price, hoping to catch the bottom and make that initially hoped for inventory profit. But fate was unkind as it often is in business. It is the unexpected, the worse, which must be anticipated in the business world, and the really successful enterprise is the one which has a stalemate prepared for every economic move, every step of competition, every accident of nature. The really successful management follows changes in the business world, particular indexes and prices, and often anticipates fluctuations in the price of a primary commodity but only to a limited degree and not unrestricted, unhampered, hazardous speculation.

The President of this company came in to see me early in 1931 with his December 31, 1930 balance sheet and together we discussed the problem of this heavy inventory. Still optimistic he was most convinced that prices would turn upward and that a handsome profit would shortly be recorded, and that anyway his styling had been unusually successful and if necessary finished goods could readily be disposed of. Apparently it was a case of reasoning to justify a policy instead of what was needed, operating efficiency with preparations for any unexpected emergency, especially in a division of

industry noted for extreme competition.

Downtrend Continues In 1931

Silk prices continued downward during the first six months of 1931. The combination of continued falling prices and the necessity of forced liquidation proved to be the death-knell of a business which a year and half previously had been a model of successful operations and which had a liquid capital of \$1,000,000.

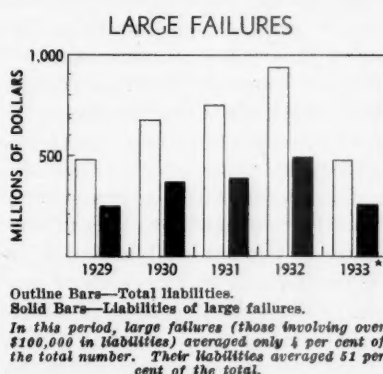
One year and a half! Economic facts grind inexorably.

The June 30, 1931 figures showed a reduction in the inventory to \$1,200,000, a reduction of 58 per cent but the accomplishment of this feat had involved heavy operating losses bringing the working capital down to \$150,000. In one and a half years the working capital had been reduced 83.5 per cent. Nineteen years to build a business by hard conscientious work and progressive business practices, and a year and a half to lose it by inventory speculation. Operations continued until December when a creditors' meeting was held and the following month the concern was out-of-business.

A few weeks ago I had occasion to examine a somewhat unusual 1933 midyear balance sheet of one of the larger business enterprises in a division of the New York cutting-up textile trade. The concern has been in active operation almost fifty years and during that continuous period of time it has always been under watchful experienced eyes, first of the assiduous founder of the business and then of his competent son. On an initial investment of a few thousand dollars, profits have been earned with rare exceptions, year after year, until today that business represents a net investment, that is, a combined capital and surplus in the neighborhood of \$2,000,000. Its salesmen and its well-made fashioned products are known in every State in the Union. The intimate life story of this business would make a saga of American industry and commerce

during the period in our expanding national horizon when the bonds of youth were burst asunder and the mechanism of manufacture and exchange, transportation and communication, grew to maturity under a system of orthodox economics and competition.

The particular line of business in which this enterprise operates had become extensively known prior to the formulation and adoption of its National Recovery Code for its extreme unhealthy, stubborn competition; the inordinately low level wages paid to its operators, and the long hours its employees were forced to labor to retain their jobs during a depression, particularly in plants located in small outlying country towns



and villages. As a result of the uncommon amount of competition, the profit and loss accounts throughout this division of the textile industry have been almost uniform in reflecting operating losses for the past four years. Losses have been the rule and not the anomalous exception. The successful establishment which had come to my attention, had been one of the singular exceptions. Under the same capable management, profits had been recorded in three out of the last four years notwithstanding steadily decreasing sales. Those results would seem to merit high commendation.

Inventory Gain Shown

This 1933 mid-year balance sheet was unusual insofar as it disclosed an aggregate inventory of piece goods merchandise, in process, and

manufactured goods amounting to approximately \$2,250,000. For the preceding fiscal year the annual sales had amounted to around \$3,000,000. No previous balance sheet on June 30 had ever shown an inventory in excess of \$1,000,000. A most unparalleled contrast! This contrast was particularly unusual as it represented the condition of a concern which had regularly kept its affairs in well-balanced financial shape for many, many years. Suddenly the inventory has taken a jump to an amount which appeared, on the basis of the existing operating record, out of all reasonable proportion to its legitimate business merchandise requirements. Such a striking change in the dollar amount of the same item in two successive balance sheets, like the unusual happenings, the clues, in a detective mystery, would appear to need enlightenment and rather thorough explanation.

Translated into merchandising terms, these figures indicated that the aggregate inventory on hand, if normally balanced, would produce sales somewhat in excess of \$3,000,000. That is, the cost of labor, overhead administrative and selling expenses plus the profit, when added to the raw material, merchandise in process, and finished merchandise on hand, would produce total sales, if there were no material fluctuation in wholesale prices, somewhat larger than the volume that had been transacted during the entire preceding fiscal year. This condition was anything but healthy from the viewpoint of efficient operations as the normal concern in this line of business turns its inventory between three and four times yearly. From the viewpoint of a speculator this situation would have been more attractive, but from the viewpoint of a business executive, the condition was one which needed immediate considerate attention.

On July 17, the National Recovery Administration cotton mill code became effective and on August 14 the woolen mill code became effective. Both codes provided for

increased costs throughout the various divisions of their industries by the payment of higher wages, shorter working hours, and the complete elimination of child labor on the part of all spinning and weaving mills. On August 1, the cotton processing tax of 4.2 cents per pound on raw cotton became effective making a further increase in the cost of producing cotton threads, yarns, piece goods, and knit goods. These multiple increased manufacturing expenses have in turn, all been passed on to the cutters-up and they in turn to the wholesalers of dry goods, chain stores, mail order houses, department stores, the general retail trade, and then to you and to me, the ultimate consumers.

Service Idea Basic

The fundamental theory of the business enterprise is based upon the conception and performance of a service. In cases of monopolies, trusts, cartels, price-fixing agreements, holding companies, interlocking directorates and such other variations of combinations which have evolved in economic organization largely since the turn of the century, greater emphasis is placed upon the practical working out of the profit motive. These modifications of competition, which have evolved from the tremendous accumulation of capital for large scale production, do cut across the freedom of the market and destroy the normal price determining mechanism.

When a manufacturer in our closely knit economic fabric sells his product, he receives payment for (a) turning a raw material into a finished product, (b) for taking a risk in judging the need and style which will be demanded, when the product is finished, by the market, and (c) for keeping a stock of merchandise with a wide range of sizes and colors available until such time as particular products are needed by its customers; a wholesaler receives payment for distributing its products between the manufacturer and retailer, which also involves keeping merchandise on

hand and judging future demands; and the retailer for having merchandise available and distributing it to the ultimate consumer which also involves the risk of keeping the correct merchandise on the shelves. The net profit for the performance of a service, and by service we include the risk of anticipating style and demand, is rarely large or abnormal. The profit from a single speculative transaction or a series of speculative transactions is, however, sometimes immense.

Superior Performance Essential

The business enterprise which is unusually successful year after year is the one which performs its fundamental service in a manner superior to competition in its field but where the management at the same time is able to some extent to discern general economic trends, anticipate the changing needs of its customers, understand to a degree the forces which affect the market value of its primary commodity, and is able to take advantage of any unusual variation in price of the products which go into its manufacturing process somewhat earlier than others. These are legitimate business functions and are qualifications only of management of the highest order. It does not follow that indiscriminate speculation, that is, the purchase of an excessive amount of raw material in expectation of higher prices and consequently bringing about a strained financial condition characterized by exorbitant liabilities, should be indulged in as the risk involved in such a policy is outside of the legitimate field of the business enterprise.

So we are led by a chain of cause and effect to the theory that the profit of a business enterprise in a capitalistic system based upon free competition is earned both by the performance of a series of service operations plus a profit in the increased market value of its inventory or less a loss in the value of its inventory as its inventory fluctuates in market value, except in cases of monopoly, regulation or

association. The nearer the commodity handled is to the raw product the more important does the fluctuation in market value become. It is of primal concern to a copper mine, silver mine, cotton mill, silk weaver or a flour mill; less importance to manufacturers of automobiles, radios, picture frames, mechanical refrigerators, furniture and still less to the department store and the general retail distributor of merchandise which is the farthest away from industrial or commercial processes.

The cutter-up, the manufacturer of garments, with merchandise in the neighborhood of \$2,250,000 on June 30, 1933, had an obvious excess of inventory. There was every indication of an attempt at an old style jamboree of 1927-1929. Cloth currently valued at many hundreds of thousands of dollars had been purchased in the second quarter of the year in anticipation of a rise in the selling price of mills due to the higher manufacturing costs under the wide-reaching N.R.A. program and also in the case of cotton, to the further addition of a processing tax. If prices remained high while that merchandise was being disposed of, the management would show an abnormally high profit—not on the service it had performed in judging accurately the future style demand for its products, not in taking a manufacturing risk in anticipation of orders, not in keeping certain stocks of finished merchandise on hand for immediate delivery to customers, but on its “unearned increment” of profits from speculation.

Failures Extremely High in 1932

There were 31,822 business failures in 1932, by far the greatest number that has ever occurred in any one year in our entire economic history. It is in itself a striking indication of the severe depth of the current depression. The number of business embarrassments has increased each year since 1923. Moreover, this record was unusual in its severity relatively as in 1932 there were 153.2

failures for each 10,000 active business establishments and only once in our history—way back in 1878—had this relationship been exceeded when there had been 155 failures for each 10,000 business concerns.

The failure records for 1930 and 1931 were also indicative of the difficulties business enterprises were having in adjusting their op-

of an evolution which has been going on in business operations. Failures are said to be due to business incompetence, the lack of working capital, the undue extension of credit to poor risks, unusual competition, physical disasters such as floods, fires and unseasonable weather, over-trading and under-trading, personal extravagance of partners and officers,

competition, over-trading, speculation, general business conditions, and even unseasonable weather would have been anticipated under more capable, far-seeing, conscientious management. Does not the very excuse of "lack of capital" point to lack of foresight, to poor management? Is it good judgment in the first place to begin operations in any line of business with inadequate capital, and in the second place, if losses are assumed to such an extent that the remaining invested funds are then insufficient for continued sound operations, then cannot those losses invariably be laid to the door of poor management?

Poor or misguided management is brought to light by a great variety of factors. Of these, the one which is of outstanding importance is the wholesale price level of commodities. Failures increased absolutely and relatively in 1930, 1931 and 1932 partly because of the steadily downward trend in the market value of practically all commodities, manufactured or semi-manufactured articles as well as primary products.

In other words, the number of failures and the movements of wholesale commodity prices, have moved in some direct sympathy with each other, emphasizing the extreme importance of inventory to business management. When liabilities and inventory are both heavy, a material drop in the price of products comprising the inventory often ends in a business embarrassment; where liabilities are light or only moderate, a loss is invariably assumed. These factors emphasize the paramount importance which the correct amount of inventory assumes in business success and failure in a refined economic organization where price and competition play so great a part in the life of the typical enterprise.

Enterprise Dependent upon Income

The daily, weekly, and monthly income, that is, the collectibility of its sales, is the very life blood of the business enterprise. "As in

Comparative Yearly Average Inventory Ratios

Number of Concerns 1931 1932		Line of Business	Average Ratios		
			Net Sales to Inventory (Times)	Inventory to Working Capital (Per Cent)	Current Debt to Inventory (Per Cent)
Manufacturers					
163	135	Cloaks and Suits.....	22.8 26.7	38.7 32.0	107.0 90.2
126	167	Clothing, Men's and Boys'.....	9.9 9.6	56.6 56.6	78.5 72.2
41	43	Converters of Silk.....	14.8 12.0	54.5 54.5	93.0 84.5
175	187	Dresses	28.2 27.6	38.6 40.5	152.4 137.6
35	46	Furniture	4.7 4.8	87.4 78.0	79.2 76.3
130	102	Furriers	13.8 13.0	40.1 47.9	65.0 62.7
76	89	Knit Goods.....	17.0 17.1	46.0 48.8	77.2 67.7
44	64	Paints and Varnishes.....	9.0 8.5	48.0 54.5	102.6 100.0
50	66	Shirts, Underwear and Pajamas....	6.9 7.4	64.5 65.9	92.4 80.2
179	78	Shoes, Women's and Children's....	16.8 16.8	67.2 51.8	107.3 86.8
36	92	Underwear, Silk.....	14.4 14.6	52.2 48.5	122.9 112.6
Wholesalers					
33	74	Automobile Parts and Accessories..	5.1 4.5	87.6 94.4	71.8 53.9
97	113	Dry Goods.....	8.5 7.0	53.3 51.8	98.3 74.3
47	30	Furs, Hides and Skins.....	13.5 12.8	42.3 41.7	88.8 64.0
40	85	Grocers	8.1 8.9	78.5 81.3	68.4 51.0
39	66	Hardware	3.6 3.3	69.2 76.5	51.6 43.0
52	47	Hosiery	12.5 10.2	48.3 47.8	84.2 65.7
30	54	Lumber	4.2 3.1	78.0 69.0	70.0 79.1
42	73	Paper	10.5 9.0	70.1 60.0	90.1 81.3
Retailers					
22	53	Clothing, Men's and Boys'.....	3.3 3.6	116.7 98.3	48.7 59.7
99	151	Department Stores.....	6.2 6.0	96.7 88.8	70.2 74.5
50	95	Furniture, Installment.....	5.1 4.8	36.5 47.0	92.9 100.4
40	35	Shoes, Men's and Women's.....	4.6 5.1	136.4 116.6	56.4 45.8
79	87	Women's Specialty Shops.....	10.9 9.5	82.4 75.9	91.4 90.7

erations to rapidly changing price levels, markets, competition and overhead expenses, as in those two years the failures had amounted to 120.7 and 133.4 respectively per 10,000 concerns which were record figures since 1900 with the one exception of the year 1915.

I am bringing out the immensity and intensity of this failure record during these three dramatic years because it so clearly emphasizes the widespread tragic importance

speculation, and even that most abused of all intangible, impersonal reasons, "general business conditions."

Poor Management Ultimate Cause

It is generally reported that the largest percentage of failures is directly chargeable to poor management closely followed by the lack of capital. It is quite likely, however, that most of the failures attributed to other causes such as

natural life, the quality, quantity, and above all, the regularity of the flow govern the physical appearance" of the balance sheet and the internal condition of a concern. The business income flows first from merchandise into receivables, then from receivables into cash, and finally from cash back into merchandise, labor, and overhead expenses. "Merchandise is accumulated in keeping with an expected sales demand, receivables rise and fall with the flow of sales, and cash fluctuates with the income from sales and the disbursements made to create or replenish the merchandise."

The income of a manufacturing business may be divided into three parts, each portraying a broad use (1) to purchase raw material, (2) to pay labor in the manufacturing process and (3) to care for all other expenses such as selling, administrative, taxes, interest, rent, insurance. The first two of these elements, the cost of raw material, and the cost of labor, are the principal elements which go to make up the final cost of the finished product which is then carried on the books of the company at "cost or market, whichever is lower."

When that finished merchandise is sold, an additional sum, a mark-up is added to the value at which it is carried on the books to cover all other expenses and under more normal conditions, a profit. That mark-up generally amounts to 15 per cent to 25 per cent of the selling price in the case of a manufacturer, 10 per cent to 25 per cent in the case of a wholesaler and 20 per cent to 50 per cent in the case of a retailer. That is, an article valued at \$90 in the inventory, when sold on credit terms, is now carried at \$100 to \$145 in the receivables, depending upon the article, competitive conditions, and whether the seller was a manufacturer, wholesaler or retailer.

To obtain the actual merchandise turnover of a business enterprise, it is necessary to have a detailed profit and loss account from which it is possible to compute accurately the average percentage

mark-up. If the annual sales volume is reduced to the extent of this percentage, it is then possible to obtain an average figure representing the physical turnover of the merchandise, by dividing this sum, representing the cost of the merchandise going into the annual sales, by the actual cost of merchandise on hand.

The very explanation of this process indicates the difficulties in carrying out a plan broadly to obtain reliable indexes of merchandise turnovers in widely varied lines of business activity, the lack of a sufficient number of complete profit and loss statements of moderate or large business enterprises. As a result there has been gradually developed in credit circles, the realization of the importance of the simple arithmetical ratio obtained by dividing annual sales by the inventory on the fiscal date. Such a ratio fills the need created by the difficulty in obtaining accurate merchandise turnover figures as long as the business executive, banker, accountant, creditman, statistician, and student realizes that the resultant figure is a simple arithmetical ratio.

Statement Analysis Made in 1933

During 1933, the balance sheets and operating schedules for the year 1932 were studied on 6,111 business enterprises in widely varied lines of industrial and commercial activity in all parts of the country. By far the greater percentage of these cases had a Tangible Net Worth in excess of \$50,000. The average ratios of sales to inventory in 24 important divisions of industry for the entire country covering the years 1931 and 1932 are contained in the schedule found on the preceding page. Manufacturers of shoes, wearing apparel, underwear, and furrers, all show a relatively high ratio of sales to inventory as inventories are invariably at the low point when the balance sheets are drawn off. Wholesalers of hardware and retailers of men's clothing show relatively low ratios indicating the low volume generally

handled by these two lines of activity in 1931 and 1932.

There are two other ratios in which the inventory is one part of the fraction, which are both of real interest and deep significance. These two ratios are (1) the percentage of working capital represented by the inventory and (2) the percentage of the inventory represented by the current liabilities. These two ratios are relatively stable.

The figure which gives the percentage of working capital represented by the inventory is obtained by dividing the inventory (raw material, merchandise in process, and finished goods in the case of the manufacturer) by the excess of current assets over current liabilities (i. e., Working Capital). A particular concern might be transacting a very large volume of business, have an inventory of proportionate size, and show a most satisfactory relationship between sales and inventory. In many lines of business activity it is necessary to place forward orders or contracts to be assured of the necessary raw material to carry on a substantial volume. If for any unanticipated reason, orders suddenly drop off or certain orders on the books are cancelled and for business reasons the cancellations accepted, or if expected orders fail to materialize, the inventory just accumulates. There is a real fundamental question as to whether it is good business or poor business to overtrade, that is, to handle a greatly excessive volume of business when based on the working capital because of this reason. The one ratio which will give an indication as to whether an inventory is heavy or not, irrespective of the volume of business is this ratio. It is an important, pertinent ratio and one which is gradually receiving increased deserved recognition.

Heavy Inventory to be Avoided

Heavy or excessive inventories are to be avoided just as much as over-investments in fixed assets and large liabilities. These three items are crucial in the successful

operations of a business enterprise. The same yearly depreciation charges must be taken when a plant is operating at 25% capacity as on 100% capacity and the same interest charges must be paid on mortgages or funded obligations in a depression as in good times. Heavy or excessive inventories likewise are a drag on a business and result in depreciation losses due to changes in style, perishability, and constant price fluctuations.

If you have a manufacturing or jobbing business which is operating on a tangible net worth greater than \$50,000, be careful even if your ratio of sales to inventory seems in satisfactory proportion, if your inventory is greater than two-thirds or three-quarters of your working capital, and a retail business if your inventory is greater than your working capital. The smaller ratio of 66 2/3 per cent applies to concerns with tangible net worths ranging from \$50,000 to \$250,000 and 75 per cent to concerns above that size.

Only one manufacturing group included in this study, 179 concerns engaged in manufacturing both women's and children's shoes in 1931, shows a ratio of inventory to working capital above the 66 2/3 per cent and that only fractionally to 67.2 per cent. The average percentage for the 78 1932 balance sheets dropped to 51.8 per cent. Two wholesaling lines where selling terms are carefully restricted to 30 days and with 2 per cent discount allowed in 10 days are above this minimum guide, wholesale grocers with 78.5 per cent and 81.3 per cent for 1931 and 1932, respectively, and wholesale hardware with 69.2 per cent and 76.5 per cent for 1931 and 1932, respectively. Only one retail line where terms are largely cash, retailers of men's and women's shoes with 136.4 per cent and 116.6 per cent for 1931 and 1932 are above the 100% minimum guide.

The figure giving the percentage of inventory represented by the current liabilities is obtained by dividing the current liabilities by the inventory. Most balance

sheets are taken from the books at a time of the year when seasonal fluctuations are at or near the low point and so it would be natural to expect that the liabilities would grow during seasonal upturns at other periods during the year. During the period 1926-1929 this one ratio was often the indication of the need of additional capital on the part of larger business enterprises which was corrected by the injection of additional cash into the business, obtained by the underwriting and public distribution of stocks and bonds. This ratio is often the indication of a top heavy debt which can be corrected only by adding capital or by following the policy of cutting down sales.

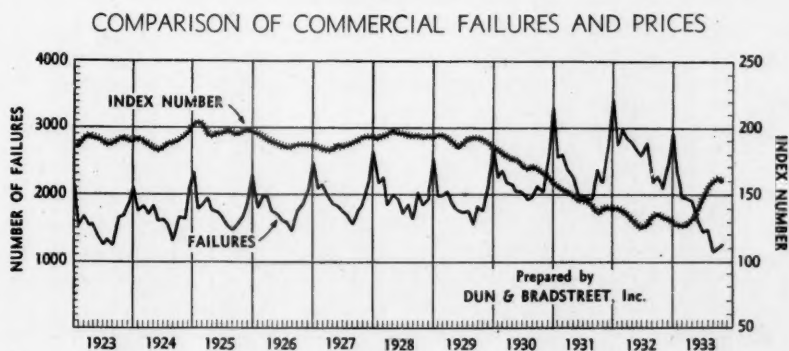
Seasonal Influences Important

The ratio of current liabilities to inventory can be high due to a small inventory as well as large liabilities. The lines of business activity in this study in which this ratio is high, are those where there is a seasonal liquidation of merchandise at the end of the year, manufacturers of cloaks and suits, dresses, silk underwear and wholesalers of furs, hides and skins. These lines of business activity are among those which have the smallest investment in fixed assets and so can keep their affairs in healthy shape even though liabilities at times seem a little out-of-line. For 1931 the spread ranges from a low of 51.6 per cent in case of 39 wholesalers of hardware to a high of 152.4 per cent in the case

of 175 manufacturers of dresses. Liabilities were materially lower in all lines of business for 1932 and so this percentage is noticeably smaller when compared with 1931. For 1932 the spread ranges from a low of 43.0 per cent in the case of 66 wholesalers of hardware to a high of 137.6 per cent in the case of 187 manufacturers of dresses.

It is extremely difficult to place the full importance of a current act in its place, its respective niche, in history. Likewise it is extremely difficult to orient a business in the current movements and trend of economic activity. When prices are falling, the turnover of inventory is a matter of great importance in restricting losses. Since March of this year, wholesale prices have been generally upward, indexes up to December showing a 20 per cent to 25 per cent increase. When prices are rising, the turnover of inventory and its size, are of fundamental importance in keeping a business in healthy condition. A heavy or excessive inventory purchased for a speculative profit, decreases the turnover; changes in style, customs, needs, and competitive products result in hazardous complications particularly in those cases where inventories are excessive and liabilities comparatively heavy.

Watch your inventory. Keep it well balanced and in satisfactory proportions to your sales, your working capital and your current debt. Control your balance sheet, don't let the proportions of your balance sheet control you.



The comparison of failures and prices since 1923 shows a distinct relationship. As prices began to decline in 1930 failures started to increase. When the price decline ceased, failures became fewer.

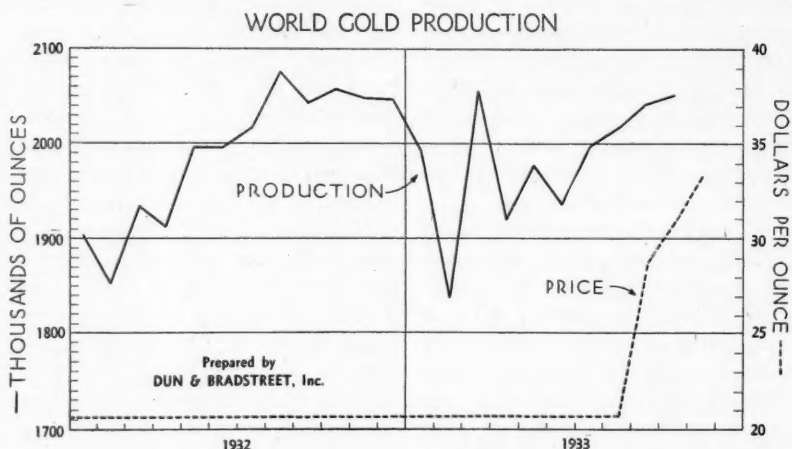
GRAPHIC REVIEWS

GOLD OUTPUT INCREASED

ALTHOUGH three of the major producers of gold showed a slight decline during October, the aggregate world output continued to show a slight increase. The total output for October, as estimated by the American Bureau of Metal Statistics, was 2,051,000 fine ounces, compared with 2,042,000 in September and 2,057,000 in October, a year ago. For the first ten months world output is placed at 19,825,000 fine ounces as against 19,789,000 for last year.

Production of gold from mines in the United States in October totalled 252,000 fine ounces, the Bureau stated. This was a slight drop from the September total of 271,000 and compared with 255,000 ounces in October, 1932. United States output for the first ten months amounted to 2,011,000 fine ounces, comparing with 2,529,000 in the same period a year ago.

The United States occupied second place as a gold producer in October, as it did in September, taking the place of Canada which is usually second. Canada ranked third in October with a total output of 245,000 ounces, against 236,000 in the preceding month and



The chart shows world production of gold for the past two years, together with the monthly average price per fine ounce, based on the R. F. C. buying quotation.

257,000 in October, 1932. Total Canadian output for the first ten months was 378,000 ounces below a year ago.

World Gold Production *

(In fine ounces)

	1933	1932
January	1,991,000	1,903,000
February	1,838,000	1,853,000
March	2,055,060	1,935,000
April	1,920,000	1,913,000
May	1,977,000	1,997,000
June	1,935,000	1,995,000
July	1,998,000	2,017,000
August	2,018,000	2,075,000
September	2,042,000	2,044,000
October	2,051,000	2,057,000
November		2,049,000
December		2,046,000
Total		23,884,000

* Source: American Bureau of Metal Statistics.

ELECTRICITY PRODUCTION

PRODUCTION of electricity for public use in October on a daily average basis, according to the United States Geological Survey, was 241,610,000 kilowatt hours. This was 1.3 per cent less than in September, against a normal seasonal increase at this time of about 1.5 per cent. Production by the use of water power showed a decided decrease from September to October and was less than October, 1932.

Monthly Electricity Production *

(Millions of kilowatt-hours)

	1933	1932	1931	1930
January ...	6,932	7,567	7,956	8,663
February ...	6,285	7,023	7,170	7,627
March	6,674	7,323	7,888	8,187
April	6,462	6,790	7,655	8,019
May	6,996	6,850	7,645	8,064
June	7,231	6,563	7,529	7,784
July	7,479	6,547	7,772	7,899
August ...	7,686	6,764	7,630	7,906
September ..	7,348	6,752	7,540	7,792
October ...	7,490	7,073	7,765	8,195
November ..		6,952	7,406	7,693
December ..		7,149	7,773	8,108
Total ...		83,153	91,729	102,937

* Source: U. S. Geological Survey.

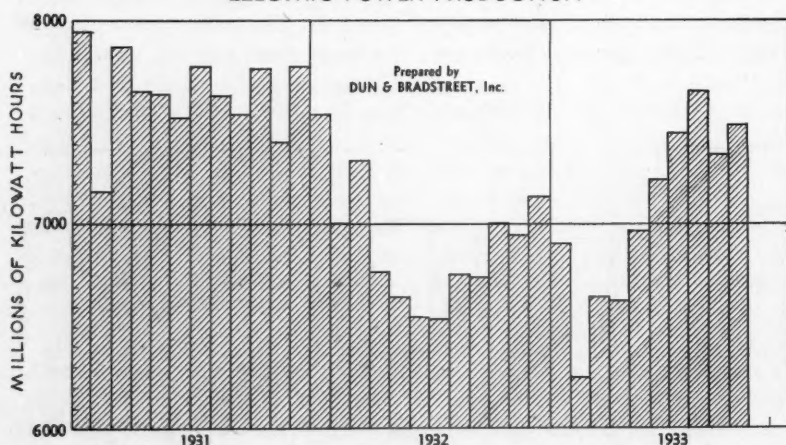
Weekly Electricity Output *

(Thousands of kilowatt-hours)

(Thousands of kilowatt-hours)				
	1933	1932	1931	
Sept. 2...	1,637,317	1,464,700	1,635,623	
Sept. 9...	1,582,742	1,423,977	1,582,267	
Sept. 16...	1,663,212	1,476,442	1,662,660	
Sept. 23...	1,638,757	1,490,863	1,660,204	
Sept. 30...	1,652,811	1,499,459	1,645,587	
Oct. 7...	1,646,136	1,506,219	1,653,369	
Oct. 14...	1,618,948	1,507,503	1,656,051	
Oct. 21...	1,618,795	1,528,145	1,646,531	
Oct. 28...	1,621,702	1,533,028	1,651,792	
Nov. 4...	1,583,412	1,525,410	1,628,147	
Nov. 11...	1,616,875	1,520,730	1,623,151	
Nov. 18...	1,617,249	1,531,584	1,655,051	
Nov. 25...	1,607,546	1,475,268	1,599,900	
Dec. 2...	1,553,744	1,510,337	1,671,466	

* Source: Edison Electric Institute.

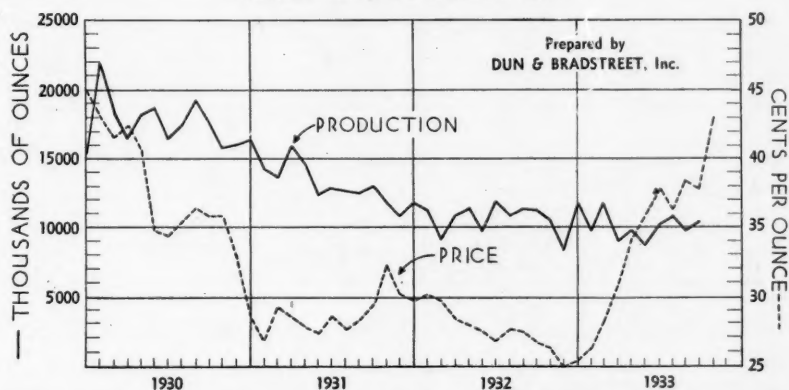
ELECTRIC POWER PRODUCTION



Total production of electricity during October showed a small increase over September but daily average output fell slightly as against a normal small seasonal rise.

OF MAJOR TRENDS

WORLD SILVER PRODUCTION



Silver production in October increased 7.3 per cent over September but fell 8.4 per cent below October last year. Price of bar silver at New York has risen 72 per cent since last December.

WORLD SILVER OUTPUT UP

PRELIMINARY estimates of silver production for the entire world, as announced by the American Bureau of Metal Statistics, amounted to 13,376,000 fine ounces for the month of October. This compared with a revised total of 12,692,000 ounces in September. The monthly average output for the year to date was approximately 13,201,000 fine ounces.

Due to the renewal of reports from political circles to the effect that active preparations for the remonetization of silver would begin as soon as Congress convenes, transactions in silver futures on the Commodity Exchange during November broke all records. The total traded in for that month amounted to 262,250,000 ounces as compared with only 30,876,000 ounces traded during November, 1932.

Silver prices under the stimulus of active demand showed a substantial increase during November. The monthly average price of bar silver at New York rose from 38.2 cents in October to 43.0 cents for November. The low point for silver was reached last December and since then prices have risen to the highest level since February, 1930.

World Silver Production *

In the table presented below are set forth comparative monthly totals which include the United States, Canada, Mexico, Peru, Australia and Burma, covering about 85 per cent of the entire world output:

	(In thousands of fine ounces)			
	1933	1932	1931	1930
Jan.	11,674	11,751	16,316	15,284
Feb.	9,658	11,086	14,137	21,849
Mar.	11,656	9,113	13,744	18,343
Apr.	9,003	10,801	15,933	16,570
May	8,772	11,311	14,468	18,237
June	8,726	9,614	12,418	18,607
July	10,226	11,927	12,855	16,513
Aug.	10,917	10,924	12,643	17,350
Sep.	9,676	11,360	12,490	19,118
Oct.	10,381	11,334	12,992	17,545
Nov. ....	.....	10,493	11,739	15,822
Dec. ....	.....	8,280	10,821	15,990
Total ...	.....	127,994	160,557	211,228

* Source: American Bureau of Metal Statistics.

BITUMINOUS COAL OUTPUT

A SLIGHT gain was reported in production of bituminous coal during November, according to the United States Bureau of Mines. Total output for November was 30,345,000 tons, compared with 29,656,000 tons in September and 30,632,000 tons for October, 1932.

Industrial stocks of anthracite and bituminous coal, as reported by the National Association of Purchasing Agents, amounted to 31,000,000 tons, a decrease of slightly over a million tons from the previous month.

Monthly Bituminous Production *

	(Tons)		
	1933	1932	1931
Jan.	27,060,000	27,892,000	38,542,000
Feb.	27,134,000	28,013,000	31,408,000
Mar.	23,685,000	32,250,000	33,870,000
Apr.	19,523,000	20,300,000	28,478,000
May	22,488,000	18,384,000	28,314,000
June	25,320,000	17,749,000	29,185,000
July	29,482,000	17,857,000	29,790,000
Aug.	33,910,000	22,489,000	30,534,000
Sept.	29,500,000	26,314,000	31,919,000
Oct.	29,656,000	32,677,000	35,700,000
Nov.	30,345,000	30,632,000	30,110,000
Dec. ....	.....	31,110,000	30,260,000
Year..	.....	305,667,000	378,110,000

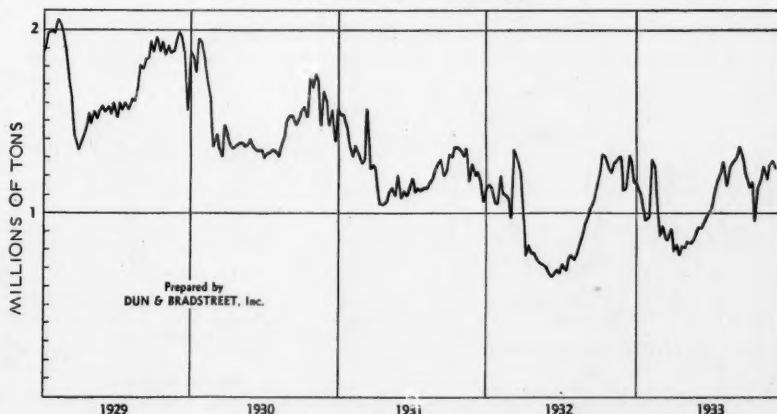
* Source: U. S. Bureau of Mines.

Weekly Bituminous Production *

	(Daily average output, tons)		
	1933	1932	1931
Sept. 30...	1,167,000	1,132,000	1,310,000
Oct. 7....	943,000	1,209,000	1,308,000
Oct. 14....	1,118,000	1,315,000	1,358,000
Oct. 21....	1,172,000	1,300,000	1,357,000
Oct. 28....	1,230,000	1,247,000	1,336,000
Nov. 4....	1,169,000	1,217,000	1,303,000
Nov. 11....	1,243,000	1,276,000	1,343,000
Nov. 18....	1,278,000	1,283,000	1,177,000
Nov. 25....	1,215,000	1,305,000	1,261,000

* Source: U. S. Bureau of Mines.

BITUMINOUS COAL PRODUCTION



The chart depicts the weekly fluctuations in daily average production. The daily average for November was 1,227,000 tons, against 1,141,000 for October and 1,266,000 for November last year.

GRAPHIC REVIEWS

NOVEMBER BUILDING GAINS

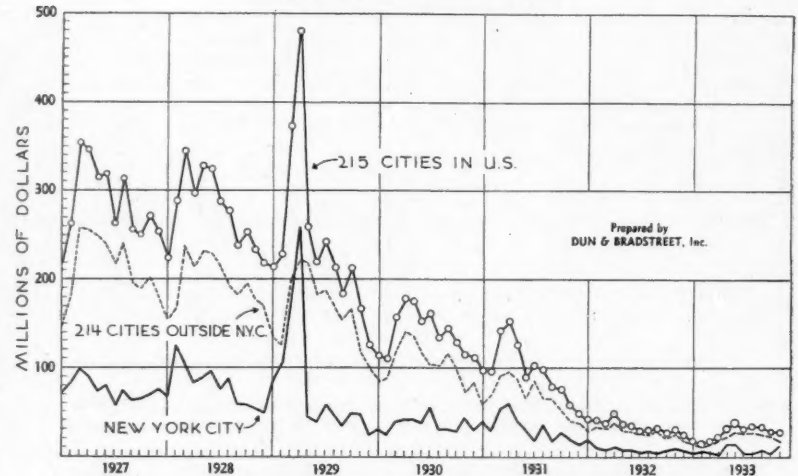
THE total value of building permits, (not including public utilities and public works) showed a moderate increase in November over October of 6.8 per cent, as against a usual seasonal decline of about 12 per cent. This gain was wholly accounted for by a sharp jump in value of permits granted in the Borough of Bronx, which brought the total for New York City as a whole to more than double the value of the preceding month.

The group totals, arranged geographically, for 215 cities of the United States for November this year and last, follow:

	November, 1933	November, 1932	Change P. C.
New England...	\$2,510,599	\$1,909,541	+31.5
Mid. Atlantic...	12,964,776	12,347,184	+5.0
So. Atlantic...	1,869,012	2,325,601	-19.6
East Central...	2,113,266	1,984,289	+6.5
South Central...	1,553,185	1,538,841	+1.0
West Central...	1,013,762	1,049,125	-3.5
Mountain	323,783	281,099	+15.2
Pacific	5,640,105	7,316,129	-22.9
Total, U. S.	\$27,988,488	\$29,301,309	-4.5
New York City	\$10,748,633	\$5,086,956	+89.0
Outside N. Y. O. . . .	\$17,239,855	\$23,614,353	-27.0

The November aggregate of building permits for 215 cities of the United States was \$27,988,488, as compared with \$26,198,342 during October. The November building total, however, showed a decline of 4.5 per cent when contrasted with the corresponding month of last year when permits

BUILDING PERMIT VALUES



Despite a usual seasonal tendency to decline at this time, building permits for the month of November registered a gain of 6.8 per cent over the preceding month.

amounted to \$29,301,309. This was the first time that a decrease from the preceding year has been shown in this series since last May.

Comparative monthly totals of building permit values for 215 cities of the United States for the past three years are presented herewith:

	1933	1932	1931
Jan.	\$17,744,805	\$42,429,665	\$96,063,912
Feb.	17,161,943	40,858,938	95,895,959
Mar.	17,798,441	37,076,746	142,107,807
Apr.	22,091,477	47,741,087	152,029,087
May	31,525,523	34,566,714	128,632,095
June	34,098,384	32,173,221	89,543,442
July	29,484,891	27,150,469	101,553,346
Aug.	32,391,868	27,565,795	96,481,866
Sept.	32,243,704	30,437,268	79,589,466
Oct.	26,198,342	26,107,428	76,929,109
Nov.	27,988,488	29,301,309	57,604,868
Dec. ....	.....	23,279,690	47,582,316
Total ..	\$309,288,930	\$1,158,063,273	

CIGARETTE OUTPUT ABOVE 1932

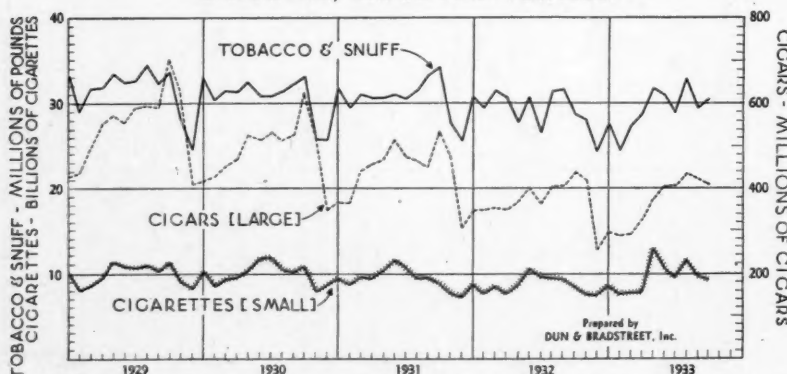
PRODUCTION of cigarettes in October, according to the monthly report of tax-paid products, issued by the Internal Revenue Bureau, totalled 9,176,408,000, or a gain of 9.9 per cent over October last year and 2.5 per cent above the like month of 1931. For the first ten months production of small cigarettes amounted to 95,225,000,000, an increase of 7.4 per cent over the 1932 period. Output so far this year is only 7.5 per cent below the record production of 1930 for the same period.

Production of Tobacco Products

(All figures in thousands)

	Cigarettes (small)	Cigars (large)	Tobacco & Snuff pounds
1932			
January	8,963,000	342,924	30,883
February	7,680,000	347,720	29,417
March	8,447,000	355,382	31,444
April	7,562,000	349,953	30,781
May	8,685,000	368,553	27,810
June	10,560,000	400,406	30,678
July	9,534,000	361,240	26,733
August	9,559,000	401,143	31,303
September	9,311,000	405,419	31,693
October	8,351,000	436,832	28,847
November	7,614,000	419,173	28,000
December	7,319,000	254,136	24,116
1933			
January	8,622,000	296,640	27,780
February	7,854,000	287,430	24,446
March	7,974,000	290,111	27,456
April	7,973,000	321,207	28,847
May	12,823,000	371,873	31,888
June	10,560,212	400,406	30,678
July	9,526,101	400,511	28,782
August	11,189,334	434,821	32,942
September	9,527,723	423,000	29,133
October	9,176,408	408,452	30,546

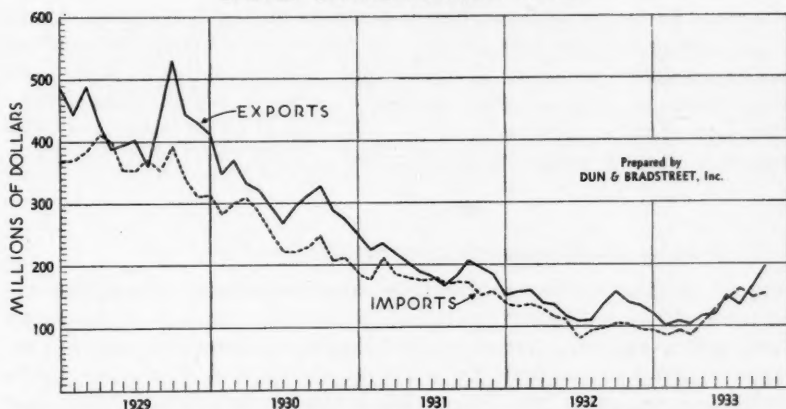
CIGARETTES, CIGARS AND TOBACCO



October cigarette production showed an increase of almost 10 per cent over October, 1932, but output fell slightly below that of the preceding month.

OF MAJOR TRENDS

UNITED STATES FOREIGN TRADE



Exports for the month of October were the largest reported since October of 1931, while imports, with the exception of August, were the heaviest since December, 1931.

FOREIGN TRADE INCREASED

THE final report on foreign trade for October, as issued by the Department of Commerce, shows that exports from the United States during that month totalled \$193,948,000. This was an increase of \$33,858,000 or 21 per cent over the September figures. The October export total was likewise \$40,858,000, or 26.7 per cent above the same month of 1932, and was the largest total reported in exactly two years.

For the first ten months of this year exports aggregated \$1,299,020,000 and compares with \$1,340,568,000 for the like period of last year, showing a decline of \$41,548,000, or a decline of 3.1 per cent.

U. S. Exports of Merchandise

	1933	1932	1931
Jan ..	\$120,589,000	\$150,022,000	\$249,598,000
Feb ..	101,515,000	153,972,000	224,346,000
Mar ..	108,015,000	154,876,000	235,899,000
Apr ..	105,217,000	135,095,000	215,077,000
May ..	114,203,000	131,899,000	203,970,000
Jun ..	119,790,000	114,148,000	187,077,000
Jul ..	144,109,000	106,830,000	180,772,000
Aug ..	131,474,000	108,599,000	164,808,000
Sep ..	160,090,000	132,037,000	180,228,000
Oct ..	193,948,000	153,090,000	204,905,000
Nov ..	138,834,000	193,540,000	
Dec ..	181,614,000	184,070,000	
Total ..	\$1,611,016,000	\$2,424,289,000	

Imports for October amounted to \$150,856,000, as against \$146,652,000 for September and \$105,499,000 for October, last year. The first ten months' total of imports

aggregated \$1,187,640,000, contrasting with \$1,121,219,000 for the corresponding 1932 period, or a gain of 5.9 per cent.

The October excess of exports over imports amounted to \$43,092,000, which compared with an export excess of \$13,438,000 for September.

U. S. Imports of Merchandise

	1933	1932	1931
Jan ..	\$96,006,000	\$135,520,000	\$183,148,000
Feb ..	83,748,000	130,999,000	174,946,000
Mar ..	94,860,000	131,189,000	210,202,000
Apr ..	88,412,000	126,522,000	185,706,000
May ..	106,869,000	112,276,000	179,694,000
Jun ..	122,197,000	110,280,000	173,455,000
Jul ..	142,980,000	79,421,000	174,460,000
Aug ..	154,916,000	91,102,000	166,679,000
Sep ..	146,652,000	98,411,000	170,384,000
Oct ..	150,856,000	105,499,000	168,708,000
Nov ..	104,468,000	149,480,000	
Dec ..	97,087,000	153,773,000	
Total ..	\$1,322,774,000	\$2,090,635,000	

Total .. \$1,322,774,000 \$2,090,635,000

FREIGHT CARLOADINGS

TOTAL carloadings for the month of November, as reported from the weekly totals, reported by the American Railway Association, amounted to \$2,460,800 cars. This was 347,500 cars less than the 2,808,300 cars loaded in October, but was 89,900 cars, or 3.8 per cent above the total for the month of November, 1932. For the month of October, the increase over the previous year was 2.6 per cent.

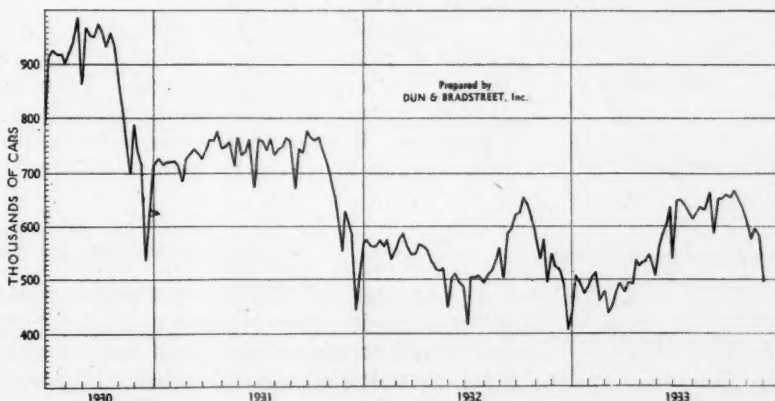
Revenue freight carloadings for the year 1933, to date, total 26,890,886 cars, compared with 26,244,131 for the 1932 period, an increase of 2.5 per cent. Compared with the like period of 1931, however, when 35,012,832 cars were loaded, a decline of 23.2 per cent is noted.

Carloadings by Weeks *

	1933	1932	1931
July 29	638,396	511,103	761,818
August 5	613,112	496,626	734,730
August 12	622,759	511,965	743,626
August 19	634,845	518,440	748,000
August 26	631,998	537,767	768,551
September 2	666,652	561,325	759,871
September 9	571,387	501,537	667,750
September 16	652,016	587,246	742,614
September 23	652,669	595,604	738,036
September 30	661,827	621,658	777,812
October 7	654,428	625,089	763,818
October 14	664,058	649,690	761,596
October 21	650,482	641,985	769,673
October 28	636,674	617,284	746,303
November 4	607,785	587,302	717,048
November 11	577,676	536,687	689,960
November 18	599,289	572,623	653,503
November 25	581,347	493,318	558,798
December 2	495,425	547,461	636,366

* Source: American Railway Association.

FREIGHT CARLOADINGS



Weekly totals of freight carloadings continue to run slightly above those of the corresponding weeks of last year. For the year to date loadings are also slightly higher.

THE BUSINESS MONTH REPORTED

1st Federal Reserve District



POPULATION—7,834,000; PER CENT TOTAL U. S.—6.32

Slight increase in nearly all branches of business during November. Total retail sales larger than in two previous months; in almost all sections the smaller stores reported improvement in sales. Registrations of automobiles 27.7 per cent above November, 1932. Activity in wool market resumed, with quotations continuing rise of last five months. Rayon industry still operating at capacity. Unemployed throughout New England being absorbed rapidly by C.W.A. program.



2nd Federal Reserve District



POPULATION—16,343,000; PER CENT TOTAL U. S.—13.12

Lag in retail demand during second half of month reduced sales of department stores about 1 per cent from comparative 1932 total. Volume of specialty shops and chain stores gained. Activity in wholesale markets lifted above previous year's showing by fill-in orders for wearing apparel and Christmas goods buying. Total shares traded on New York Stock Exchange below October, but nearly 50 per cent larger than in November, 1932. Total dividend payments rise.



3rd Federal Reserve District



POPULATION—7,619,000; PER CENT TOTAL U. S.—6.14

November retail sales definitely ahead of 1932 record, with a sharp increase in collection percentages. Early Christmas shoppers interested chiefly in medium and high-priced merchandise. Industrial operations curtailed for the first time in several months in some divisions; glass factories and rayon mills operating at capacity. Orders for locomotives and farm implements larger than last year. Gain in automobile sales unchecked. Government projects increase employment slightly.



4th Federal Reserve District



POPULATION—11,407,000; PER CENT TOTAL U. S.—9.19

Both retail and wholesale trade showed further gains during November. Department store sales increased moderately. Industrial employment again on an upward trend. Employment given to several thousand men on C.W.A. projects started toward close of month. Increased activity in tool and machinery trades, attributed to automobile model changes. Steel output rate advanced in Youngstown district. November employment gains more than offset the October decrease.



5th Federal Reserve District



POPULATION—11,073,000; PER CENT TOTAL U. S.—8.92

Uptrend of retail sales continued; leading stores will close with satisfactory margin of gain. Wholesale orders for dry goods, drugs, groceries, hardware, and implements above October total. Tobacco growers' income doubled; cotton growers' income doubled; cotton growers to realize \$20,000,000 more for crop than a year ago. Farmers liquidating indebtedness of two years' standing. Conditions in money market easing somewhat. Winter tourists are arriving earlier than usual.



6th Federal Reserve District



POPULATION—11,339,000; PER CENT TOTAL U. S.—9.14

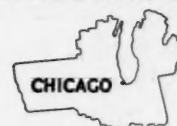
Approach of holidays and colder weather stimulated retail buying during November, with good increase in sales noted in nearly all items, due to improved position of cotton producers and larger employment. Government's relief program being extended rapidly. Constant additions to payrolls in mine, blast furnace, and steel mill districts. Money supplies large; demand light. More activity in real estate; farm property beginning to change hands. Collection improvement marked.

BY FEDERAL RESERVE DISTRICTS

POPULATION—18,606,000; PER CENT TOTAL U. S.—15.00

Reports from most parts of the territory the most favorable in two months, due to spread of employment and generous consumer expenditures. November retail sales estimated at 8 per cent above last year's; wholesale volume gained around 10 per cent. Largest movement of hardware in two years. Industrial operations being advanced gradually; rate of steel output unchanged. Real estate situation improving. Chicago building permit values continue above last year's low levels.

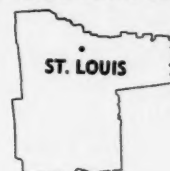
7th Federal Reserve District



POPULATION—9,676,000; PER CENT TOTAL U. S.—7.82

General business movements, with few exceptions, again trending upward. Most of the unrest prevailing a month ago has disappeared. Wholesale orders for ready-to-wear clothing and shoes larger than a year ago. Shipments of millinery, lingerie, novelties, and knitted goods satisfactory. Sales of drugs, chemicals, and electrical supplies ahead of 1932 record; sales of iron and steel products declined. Retail sales for district approximately 2 to 8 per cent above November, 1932, total.

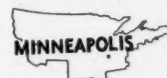
8th Federal Reserve District



POPULATION—5,370,000; PER CENT TOTAL U. S.—4.35

Cash income to farmers in this district nearly 10 per cent higher than in November, 1932. Good gain recorded for retail sales, despite recession at end of month. Wholesale shipments accelerated by receipt of accumulated orders from strike areas. Nearly 60,000 men given employment by gigantic public works program; all parts of district benefited. Flour trade dull during most of month; receipts of wheat at terminals smaller than in October. Bank debits still gaining.

9th Federal Reserve District



POPULATION—7,967,000; PER CENT TOTAL U. S.—6.42

Distribution of assets of closed banks and the various farm bonuses contributed heavily to the better movement of merchandise at retail during November. Wholesale orders for dry goods, drugs, groceries, hardware and implements larger than in October. Farmers' strike brought little interruption to general trade movements. Average price level of farm products did not change much during month, despite fluctuations. Bank deposits continue to rise; demand for money light.

10th Federal Reserve District



POPULATION—7,078,000; PER CENT TOTAL U. S.—5.72

Both wholesalers and retailers of clothing, shoes, furniture, and similar merchandise closed most satisfactory Fall season since 1929. No signs of a let-up in the encouraging volume of business recorded during month by department and other retail stores. Cotton being sold as rapidly as ginned, with most of proceeds going into purchases of deferred merchandise requirements. Recognition of Russia expected to open outlet for at least 500,000 bales of American cotton.

11th Federal Reserve District



POPULATION—9,758,000; PER CENT TOTAL U. S.—7.86

Sales of retail stores pushed ahead rapidly, following downtrend during most of October. Movement of California wines to Eastern States heavy, benefiting railroads for substantial loss in fresh grape shipments this year. Statistical position of dried fruits and canned fruits and vegetables strong, with prices generally firm. California peach canners have disposed of entire carry-over from last year and more than half of the new pack. Employment total above October's.

12th Federal Reserve District



DRY GOODS MOVEMENT BROADEST IN YEARS

AFTER dragging along during the first three months of the year at the bottom position of nearly a quarter of a century, the revival of retail distribution and the quickening in the long-deferred calls for Spring and Summer merchandise in wholesale markets brought a restoration of confidence to the entire dry goods trade in April. By the end of May, this activity had been extended to the broadest rate in the history of peace time, with prices and wages rising rapidly, production increasing, and sales pushing far ahead of output. Expansion progressed at an even more rapid rate during June, causing mills and their agents to decline much of the contract business tendered. Textiles had suffered a longer and more complete liquidation than many other lines, so that when confidence and demand revived the uplift was pronounced.

July witnessed the inauguration of the National Recovery Act in the cotton goods division—the first code to be adopted—and right up to July 17, when it became operative, production was at its highest for nearly two years. After that date, output commenced to taper down to a forty-hour-week basis, with many mills operating two sets of workers over a period of eighty hours each week. Production, distribution, and consumption have continued so much above the level of a year ago and prospects for the holiday trade have become so promising that many firms are counting on ending the year with a fair profit. Even though business during the remainder of the year should show only a slight gain over the 1932 sales, profit margins will be sizable, because of the good results in the second and third

Reversing the persistent downtrend of the first quarter, distribution of dry goods in second quarter reached broadest rate in the trade's history for peace times. Inventories not excessive, despite heavy buying. Price rise continuous since April. Most firms will close year with larger profits than in 1932.

quarters, due to the strength of the demand for staples in agricultural districts and novelties and fancies in industrial centers.

Production Near Capacity

The substantial volume of textile output thus far this year is being consumed, as inventory reports give no threats of congestion in the movement for the immediate future. Much of the current business in first hands, however, has to do with goods for a new Spring season, although needs for immediate sales are reflected clearly in the many requests for prompt shipments. An outstanding feature of production is in the rayon division, where manufacturers have been forced to allot their output to insure satisfactory deliveries and to meet trade requirements. Manufacturers of woolen goods continue at about the same high rate that characterized production during the Summer months, although demand for finished goods has been somewhat lighter since October 1. Many mills already have Spring orders in hand to carry current schedules through the holiday period.

The silk trade has suffered from the severe strikes in dyeing and finishing plants, yet the cleaning up of low-priced and low-quality converted goods has left the market in much better shape than it has been in for a long time. Production in the cotton goods divi-

sion has been aided by active buying of print cloths, broadcloths, and some other convertibles at a time when the markets were weakening steadily, following lower cotton prices and lighter demand. Many large mills now are sold ahead from two to three months. Improvement in

the sales of fine and fancy cottons has supplied that division with sufficient business for the last quarter of the year. The colored goods division is well occupied on work-shirt and work-suit fabrics, play cloths for children, men's trouserings, flannels, and such staples as denims and checks.

Largest Sales in Two Years

For the first nine months of the current year, total sales of wholesalers exceeded the comparative figures of 1932 by at least 50 per cent. During the first two months of the year, sales were below normal, but during some of the months which followed, sales frequently ran as high as 70 to 100 per cent above those for the corresponding months a year ago. There were many delays in filling orders during this period, caused by the sold-up condition in some of the staple lines. From May 1 until the middle of August, sales of leading wholesalers reached the highest volume in two years. Early demand was for piece goods and staples, with the heavier flannels and knit goods predominating now. Stocks are in good shape to take care of fill-ins.

July was the outstanding month of the year for retailers, both in volume and profits. August and September did not continue the higher record established for July, but since October 1 demand in many divisions has been stronger. Distribution has been chiefly in

staples, such as prints, muslins, sheetings, flannels, hosiery, underwear, and blankets. While staples marked at medium prices have been selling better than fancy goods, there has been a noticeable increase in the demand for the better qualities of merchandise during the last thirty days.

Higher Prices General

Prices in nearly all divisions have increased steadily since April, and at present are from 3 to 100 per cent higher than at the beginning of the current year. The most striking advances have been in unfinished goods, where quotations on many of the most staple numbers are more than double the prices quoted in February. Mark-ups in the cotton goods division have been sharp, notably in print cloths, sheetings, broadcloths, printed percales, denims, ticking, towels, sheets, and pillowcases. Blankets are selling at retail for about 75 per cent more than they brought a year ago, while quotations on raw wool are 92.2 per cent higher than in the comparative period of 1932.

Although the trend of prices still is upward, on the whole, there have been some recessions of late in several cotton goods lines, chiefly percales, printed draperies, cretonnes, and some of the wash goods. On the other hand, sheets and pillowcases have held steady, with a large movement still under way. Prices on some of the staple towels are lower, but the new weaves are higher. Candlewick bedspreads have been marked down, to some extent, but most high-grade woven lines are holding firm.

The status of general wholesale collections ranges from 5 to 6 per cent better than it was last year at this time, and with retailers there has been an improvement of 8 per cent, although payments slowed down during the early part of October, when floor taxes were being paid. Since the middle of September, there has been a marked easing of the collection situation in country districts, due to crop

movements and to the Administration's agricultural help program.

Atlanta

Jobbers report increase in sales of 60 per cent, as an average, in the full lines for the third quarter, ending September 30, as compared with 1932, with a satisfactory increase since. The early demand was for piece goods and staples, with heavier flannels and knit goods predominating now. Stocks are in good shape to care for fill-ins. Retail trade in rural districts has been good, but urban shops felt the effects of continued mild weather during most of the Fall season.

Baltimore

Commission houses report conditions considerably better than for some time. The improvement started last Spring and in the months following they put out a quantity of merchandise at the low prices then prevailing. They state that mill prices have since advanced all the way up to 100 per cent, but their customers, the jobbers, wholesalers, and larger retail stores, are in position to offer goods at less than present replacement cost. Wholesale houses report sales around 20 per cent higher than last year.

Boston

This is not a producing center, but distribution for the past four months shows an improvement over last year. July was an outstanding month both in volume and

profits. August and September were not quite so good as there was a slump in wholesale business resulting from too liberal buying on the part of the retailer during the previous months. The blanket business at present is the most active and unit volume is about the same as last season, although the prices have increased about 75 per cent. Cotton goods average 100 per cent higher than a year ago.

Dallas

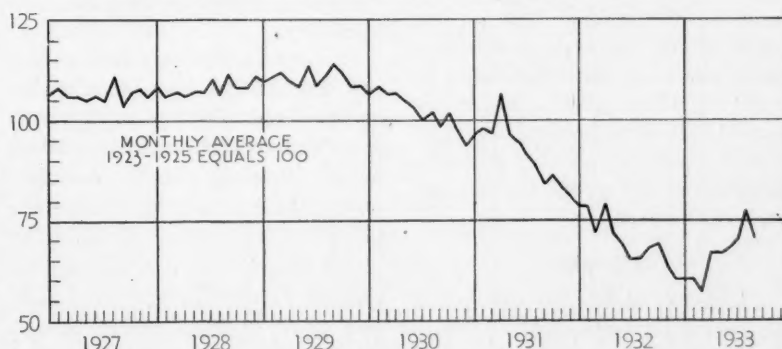
At this time of the year in this section the consumer demand is just beginning in volume, which means active business for the retailer and largely fill-in orders for the wholesaler. Reports received from retailers throughout north and west Texas indicate active buying. Wholesalers also report a steady stream of fill-in orders.

Prices during October weakened slightly, particularly in piece goods, but have become firmer during the last few weeks. There is every indication of a good demand for the next thirty days at least.

Denver

Production of dry goods in value shows increase of 10 to 15 per cent and volume of 4 to 20 per cent. Distribution has been general. Prices have been upward for the past four months. Further advances will depend entirely on employment and agricultural conditions in the Rocky Mountain trade territory. The outlook is favorable, as employment shows considerable im-

INDEX OF MONTHLY DEPARTMENT STORE SALES *



(*) Statistics compiled by Federal Reserve Board.

From the all-time low of 57, which was touched in March, the monthly index of department store sales rose steadily until it reached 77 for the month of August. This was the highest figure recorded in sixteen months, and represented a gain of 18.5 per cent over the August, 1932, figure.

provement and agricultural conditions are better than last year at this time.

Detroit

Only slightly below the high level of the Summer months, retail dry goods sales are holding fairly close to last year's figures in dollars, but slightly under in unit volume. Retailers are striving to hold off the full effect of wholesale price increases as long as possible.

In the wholesale markets, business has been confined lately to filling orders. Store inventories in this district are about 12½ per cent above those of last year, showing the first gain since December, 1929.

Kansas City

From about May 1 until the middle of August the sales by leading wholesalers of dry goods were the best for any period in about two years. Since that time, however, there has been some recession. During November there was a little more activity. The major buying during the Summer was by retailers with cash or good credit standing who were able to lay in a heavy supply, due to market outlook. The general level of business, however, at this time is considerably higher than a year ago and most firms expect to close 1933 in a better position than they were in at the end of 1932.

Los Angeles

Dry goods sales in this district approximately are on a par with those of a year ago. Distribution is chiefly in staples, such as prints, muslins, flannels, hosiery, underwear, and blankets. The price trend is still upward, although there has been some recession in cotton dress goods, which has served to level the general average. The outlook is good for a steady business in dry goods for the balance of the year.

Memphis

Consumer buying of dry goods showed an appreciable pick-up during October and November, which has been helped by increased

buying power resulting from marketing of the cotton crop and receipt of government checks in payment for plowed-up cotton lands. Following the wave of buying by the retail and jobbing trade several months ago, when inflation ideas were rampant, came a lull. Prices have held steady at the higher levels, from 33 to 50 per cent up, and apparently have reached a stable basis.

Omaha

The gradual change in the distribution of dry goods has reduced the number of large distributing companies in the Middle West, compared with pre-war years. A substantial amount of business is in the hands of moderate-sized jobbers and manufacturers selling direct.

Piece goods business improved in the third quarter, due to building up of inventories by retailers in anticipation of price advances, though sales in the last thirty days have slowed down, except on some items that still are difficult to ship immediately. Sales, on the whole, are ranging from 10 to 20 per cent better than a year ago.

Philadelphia

On comparing current business with that for the same period of a year ago, volume is running approximately 15 per cent higher. It is the general opinion, however, that this increased volume is due almost entirely to the higher prices prevailing this season, and does not reflect an increased demand for merchandise. The best-selling items are sheetings, flannels, and blankets.

Since the latter part of October, the demand has been accelerated by the colder weather, so that both sales and collections have made a better showing. Most retailers now expect to end the year in a better position than that occupied at the close of 1932. It was the expanded volume during the second and third quarters which contributed most heavily to the year's improved showing.

Seattle

Wholesalers and jobbers in this line report sales for the first nine months of 1933 above those for the same period in 1932 by at least 50 per cent. Sales for the first two months of the year were below normal, but the following months were as high as 70 to 100 per cent above the corresponding months a year ago. Prices have increased steadily and at present are between 25 and 30 per cent higher than at the first of the present year. The best-selling items appear as the medium-priced goods, although there is a noticeable tendency toward the better quality merchandise.

Failures Reduced One-Half

The wider distribution and higher prices for all grades of dry goods have checked the steady increase in failures since 1929, which reached an all-time peak in 1932, with the number of defaults totalling 3,183 and the involved liabilities \$73,931,987. In 1932, manufacturers were going into bankruptcy at the rate of 8 a month, while the monthly average for the current year is only 5. The monthly failure average of 257 for retailers in 1932 was reduced to 152 during the nine months of 1933.

The complete insolvency record of the dry goods trade since 1927, including the nine months of the current year, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

(Woolens, Cottons, Knit Goods, Lace, Hosiery and Carpets)

Year	Number	Liabilities
1927.....	56	\$6,352,858
1928.....	43	5,188,010
1929.....	36	2,695,420
1930.....	56	6,667,227
1931.....	65	10,323,342
1932.....	99	11,358,090
1933*.....	46	4,337,838

Retailers

(Dry Goods, Department and General Stores)

Year	Number	Liabilities
1927.....	2,401	\$40,830,758
1928.....	2,163	31,157,758
1929.....	1,997	29,232,065
1930.....	2,464	41,951,863
1931.....	2,840	50,753,974
1932.....	3,084	62,573,897
1933*.....	1,367	26,470,467

(*) January to September, inclusive.

STEADY ENLARGEMENT IN DRUG DISTRIBUTION

AFTER drifting through the first quarter at the same volume as last year, the abrupt upturn in trade movements through the second and third quarters brought the total of business 5 to 20 per cent higher than it was in the corresponding nine months of 1932. While there was some recession in trade volume during the early part of October, the recovery during November and the greater seasonal activity during December are expected to enable manufacturers and distributors to close the year in a stronger financial position than at the end of 1932.

In contrast with the situation a year ago, when druggists were living largely off inventories, acquired twelve or eighteen months previously, and sales were being lost because of lack of complete assortments, stocks now generally are full, due to the heavy buying during June and July, when wholesale markets were rising. Under the guidance of the Drug Institute, which successfully organized the \$2,000,000,000 drug industry, enabling manufacturers, distributors, and retailers to benefit from the elimination of destructive competitive methods, those identified with it are in a position to reap immediate results from the improvement in general business activity, which now is in the ascendancy.

Wholesale Orders Gaining

In the wholesale divisions, volume is running 5 to 10 per cent ahead of that of a year ago, with staples moving steadily. While sundry and luxury items are lagging, to some extent, this loss of volume has been more than compensated by the increase resulting from legalized liquor sales. The

Recovery in the drug trade has been continuous since Spring, with retailers benefited markedly by operation under the code. Wholesale orders reached peak during the Summer months. Price rise thus far moderate. Status of collections improved; old receivables reduced. Insolvencies decrease.

medicinal lines have been the best sellers, with the movement of merchandise products only fair.

Although druggists are awaiting anxiously the revision of certain provisions of the code, considerable encouragement has been engendered by the expansion of sales already recorded, and the final quarter is expected to top distributive totals of the closing months last year by a good percentage. It must be borne in mind, however, that the comparison will be made with the extremely poor business which prevailed during the last half of 1932.

The wholesale establishments catering largely to a professional trade are losing ground, to some extent, while companies operating retail stores and carrying a diversified line of merchandise have held up well. Merchandise has been offered in larger quantities than last year for the holiday season, as preparations are being made for a marked increase in activity. There is much optimism in evidence regarding the future, based principally on the gradual increase in distribution, although the sales tax in many States on cosmetics and similar products has curtailed demand perceptibly. The manufacturing division has not been affected adversely, to any appreciable degree, by the unsettled economic conditions, and production has held above that of 1932 by a narrow margin.

While the recovery process with retail drug stores is proving a rather slow one, when compared with that in other lines, the independents are enjoying a revival of trade, following a period of stagnation brought about by chain-store competition. The principal factor in this recovery is the adoption of the "open display" method of selling. Attractive groupings of merchandise in well-lighted premises have replaced the gloomy environment formerly associated with this line of business and the response to this new treatment has been heartening.

Retail Demand Recovering

Business with the individual retailer is somewhat uneven, stores suitably located and competently managed doing well, while some of the others are falling behind. Currently, the best-selling items are nationally-advertised lines, prescription spirits, cold preparations, lotions, toiletries, and sundries. In some parts of the country, October business reached the largest volume of any month since the latter part of 1929.

Only about one-third of the total sales of the average retailer is made up of drugs, and as the demand for these has been below normal during the last few years, because of the healthful state of the nation, it has been necessary to place dependence for volume on the widely-diversified lines handled. The demand for novelties during the Summer season bolstered volume, and the sales of 3.2 beverages contributed heavily to sales during the warm weather. The approach of the holidays is expected to bring a good movement of seasonal merchandise, which will be amplified further by

the inauguration of the handling of liquor.

Retailers, with the exception of the chains, are encountering some difficulty in operating under the retailers' code. Heretofore, they have had the stiff competition from department stores and chains, that used toilet goods and sundries as leaders, which they sold below cost. This condition still persists, but it is expected to be eliminated almost entirely by the code. Besides, as the department stores and chains are larger buyers and have lower invoice costs, they still can undersell the small retailer.

Prices Still Low

Price advances in the drug trade have been moderate, when placed alongside the vertical rise in quotations of other commodities, particularly foodstuffs and clothing, although prices again indicate an upward trend, following a leveling-off during August and September. The present tendency is to hold prices to their former level, but the trend is strongly upward, and advances in the near future are not unexpected.

Merchandise falling under the classification of the general list is selling at the same price average of the past two years, during which period prices fell to a low level, but later recovered to some degree. Merchandise in the special list group is up about 20 per cent, but prices generally still are low. Quotations on the widely-advertised proprietaries practically are unchanged.

Wholesalers are making more progress than retailers in the reduction of old receivables, and many now have brought a large number of accounts to a cash or short-term basis, in addition to making consistent reduction in old balances. With the majority of retailers, collections have been improving steadily, and many stores, particularly those in country districts, have cleared up accounts more than a year old. On the other hand, those who have not handled credits and collections to the best advantage still have rather large

amounts of frozen receivables.

Baltimore

In the drug manufacturing line June, July and August are generally the slowest months of the year. This season, however, August was a very good month, which was quite unusual, September business declined slightly, but business has again picked up since then. Unless something unforeseen develops the improvement should continue for the remainder of the year. Collections are reported as good. Prices generally still are low.

Wholesalers reported an improvement in October over last year, but for the year sales still are below 1932. In the retail end, chain stores report a decided improvement in business for the year to date. As a whole, price increases about offset decreases.

Boston

There seems to be a slight increase in production of drugs, as compared with the same period a year ago. The best-selling items are seasonal, such as cold remedies, Christmas gifts which appear now to be the principal items handled.

The present tendency is to hold previous prices, which never were as low as the prices on the necessities of life, and an upward trend seems likely. There is a good deal of optimism in evidence, and it is backed up principally by a slightly

but gradual increase in sales which is expected to continue.

Cleveland

Sales in this field locally have been at a rather low point throughout the past year, and have failed to show much improvement recently. During September wholesale volume showed an increase of 3.6 per cent over the month prior, but averaged 13 per cent below last year for the nine-month period.

Retail sales reflected some increased activity during the third quarter, but some decline has since been evident, attributed partly to the Ohio sales tax on cosmetics and similar products.

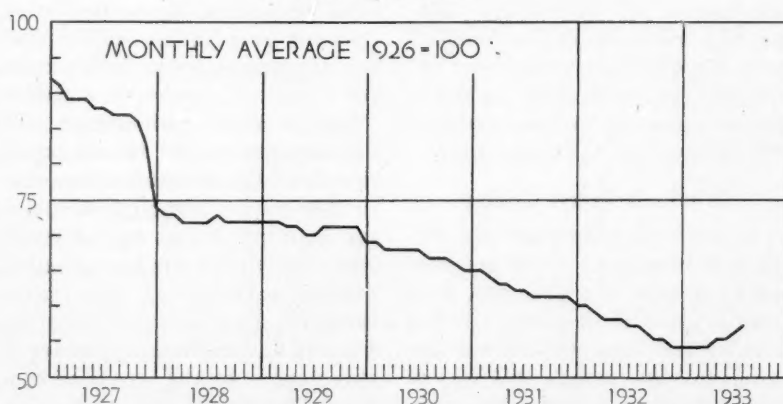
Dallas

The sale of drugs and pharmaceuticals, while not reflecting as large increases as in some other lines, is running noticeably ahead of this period in 1932. October business, as a whole, reached the largest volume of any month since 1929. Prices are generally up, but have not made any pronounced advances. Collections, both wholesale and retail, are much improved.

Denver

Production of drugs in value shows no change from that of last year at this time, and volume has not increased, generally speaking, although whiskey sales have aided to maintain sales equal to last

INDEX OF WHOLESALE DRUG PRICES
(21 Quotations)



The rise in drug prices thus far has been only moderate, as the downtrend was not checked definitely until May, when the index was lifted to 55.0, after touching the record low of 54.6 in April. By the end of August, the index had reached 57.0, exactly the same position occupied a year ago.

year's. Distribution is general, with the exception of whiskey sales. Prices continue steady.

Detroit

The pharmaceutical industry is fairly steady, being only fractionally less in volume than six months ago, but approximately 8 per cent above that for the corresponding period of 1932. The manufacturing division of the drug industry has not been affected adversely to an appreciable extent by the unsettled economic conditions prevailing even now. Prices have been advanced slightly, and the retail trade continues on a fairly satisfactory basis.

Kansas City

Both wholesale and retail trade for the third quarter of 1933 were slightly above the record for the third quarter of 1932, with sales during the balance of the year expected to top the closing months of last year. Comparisons for the last six months of this year are being made against the six poor months of 1932. Merchants are a trifle optimistic, stating that business has held up a little stronger than in many lines, and also look forward to a better December business this year than they had in 1932.

Los Angeles

Production in value and units in the drug and pharmaceutical trade shows very little change from a year ago, although sales are up slightly, the increase being 2.7 per cent for October, as compared to the same month of 1932, and up 11 per cent for the year to date.

Nationally-advertised lines and prescription spirits are the leading items. Recent price changes have been few, earlier advances of the year being now pretty well stabilized. Indications are now that this trade will run along about at its present pace during the next few months.

Omaha

This industry improved in the second and third quarters of the current year as compared with

1932, sales increases ranging from 5 to 10 per cent. There was a noticeable slowing-up in sales for the first month of the fourth quarter, but total volume for the year probably will equal or slightly exceed the 1932 figures. On the whole, jobbers are feeling better. They have made progress in reduction of old receivables, have a large number of accounts on a cash or short-term basis, and are making consistent reductions in old balances.

Philadelphia

There has been a noticeable slowing-up in the sale of drugs, chemicals and pharmaceuticals since September 1, even though this is contraseasonal. The reason for this was the abnormal purchases of this class of merchandise during the months of July and August, due to the inflationary propaganda and rise in prices in all directions.

Dealers not only stocked up, but since then have had such good weather that prescription business has been very slow. However, by the middle of November, the normal flow was restored, at slightly better prices than those prevailing in the Summer. Prices in the pharmaceutical line have been very low, due to competitive influences, and it is certain that any revision will be upward.

Portland

The wholesale drug industry shows present volume from 5 to 10 per cent over that of a year ago. Staples are moving steadily. Sundries and luxury lines are lagging behind last year's output, but this loss of volume has been more than compensated by the increase in legalized liquor sales. Prices again indicate an upward trend, following a levelling-off during August and September. The independent drug store is enjoying a revival of trade, following a period of stagnation brought about by chain-store competition.

Richmond

Sales during the past two months have taken a decided upturn, the

increase, as compared with that for the same period of last year, amounting to 20 per cent. The early months' turnover was exceptionally poor, and the total sales for the ten months are off between 5 and 10 per cent in volume, and about 10 per cent in value, when compared with the corresponding period of 1932.

Seattle

Wholesalers and jobbers of drug sundries and pharmaceuticals report little actual change in sales, distribution, prices, or collections, when compared with a year ago. Sales have increased approximately 5 per cent, but prices have remained stable. However, the medicinal lines have been the best sellers, with merchandise products only fair.

Failures Less Numerous

There has been an encouraging decrease in the number of defaulting firms this year, both in the manufacturing and distributing divisions. In the former, only 73 concerns failed during the ten months of the current year, as compared with 156 for the twelve months of 1932. Among wholesalers and retailers, the reduction has not been quite so marked, but for the ten months ended October 31, there were only 943 bankruptcies appearing on the list, while for the entire twelve months of 1932 a total of 1,422 was reached.

The complete insolvency record of the drug and pharmaceutical supply trade since 1927, including the ten months of 1933, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

Year	Number	Liabilities
1927.....	64	\$3,711,555
1928.....	85	3,654,870
1929.....	102	1,290,332
1930.....	94	3,237,274
1931.....	102	4,424,601
1932.....	156	9,105,229
1933*.....	73	7,713,423

Wholesale and Retailers

Year	Number	Liabilities
1927.....	714	\$7,607,591
1928.....	729	7,088,431
1929.....	701	7,643,637
1930.....	982	10,781,039
1931.....	1,151	13,946,611
1932.....	1,422	18,541,112
1933*.....	943	13,257,144

(*) January to October, inclusive.

NOVEMBER FAILURES DOWN 40 PER CENT FROM 1932

THE continued betterment in business conditions in the United States is again reflected in the latest month's record of commercial failures. The figures for November did not show much variation, compared with those of the preceding month, the number being 1,237 against 1,206 a month earlier, and the liabilities were \$25,353,376, against \$30,581,970 in October. In November, 1932, the total was 2,073 and the liabilities aggregated \$53,621,127. The present number was fully 40 per cent under the 1932 figure and the liabilities 50 per cent lower.

Omitting September and October of this year it is necessary to go back ten years to July, 1923, in order to find a total below that of the latest month in number, while the liabilities have not been so small, with the exception of September, since January, 1920. The number of failures reported for November is the smallest that has

appeared on the records for that month since 1920, while the liabilities are below any comparative November total since November, 1919.

Of the eleven months this year, there were nine in which the failures have been below the 2,000-mark, whereas in 1932 not a single month showed the number under that figure. In 1931, there were four months when the number was slightly below 2,000 and in 1930 only two.

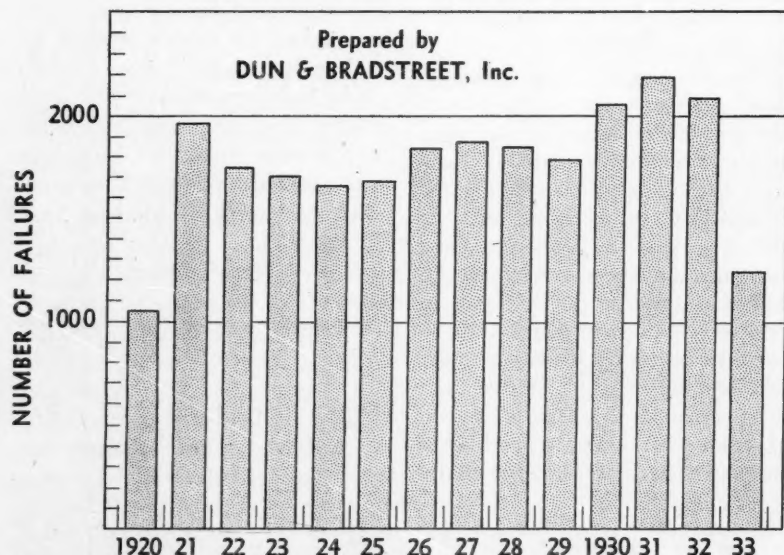
For the year to date, 19,175 insolvencies have been reported, with liabilities of \$475,630,152, as compared with 29,353 in 1932, with an indebtedness of \$864,123,874. The total number of failures for the corresponding eleven months in 1931 was 25,527, while the liabilities were \$663,096,053.

The monthly and quarterly failure figures, showing the number and the amount of liabilities, are contrasted herewith:

Monthly and Quarterly Failure Figures

	Number			Liabilities
	1933	1932	1931	1933
November	1,237	2,073	2,195	\$25,353,376
October	1,206	2,273	2,362	30,581,970
September	1,116	2,182	1,936	\$21,846,906
August	1,472	2,796	1,944	42,776,049
July	1,421	2,596	1,983	27,481,103
3rd Quarter...	4,009	7,574	5,863	\$92,104,058
June	1,648	2,088	1,993	\$85,844,900
May	1,909	2,788	2,248	47,971,573
April	1,021	2,816	2,383	51,097,384
2nd Quarter...	5,478	8,292	6,624	\$134,413,866
March	1,948	2,951	2,604	\$48,500,212
February	2,378	2,732	2,563	65,676,068
January	2,919	3,458	3,316	79,100,602
1st Quarter...	7,245	9,141	8,483	\$193,176,882
	Number			Liabilities
	1932	1931	1930	1932
December	2,469	2,758	2,525	\$64,188,643
November	2,073	2,195	2,031	53,621,127
October	2,273	2,362	2,124	52,869,974
4th Quarter...	6,815	7,315	6,680	\$170,679,744
September	2,182	1,936	1,963	\$56,127,634
August	2,796	1,944	1,913	77,031,212
July	2,596	1,983	2,028	87,189,639
3rd Quarter...	7,574	5,863	5,904	\$220,348,485
June	2,688	1,993	2,026	\$76,931,452
May	2,788	2,248	2,179	84,900,106
April	2,816	2,383	2,198	101,068,693
2nd Quarter...	8,292	6,624	6,403	\$261,763,666
March	2,951	2,604	2,347	\$93,760,311
February	2,732	2,563	2,262	84,900,106
January	3,458	3,316	2,759	96,860,205
1st Quarter...	9,141	8,483	7,368	\$275,520,622

RECORD OF NOVEMBER FAILURES



The above chart shows the trend of business failures during November over a period of fourteen years. A decline of 40 per cent is shown in 1933 from the 1932 number and an even greater decrease of 43.6 per cent when compared with the total in 1931.

Federal Reserve Districts

The marked betterment in failures is by no means confined to any one Federal Reserve District, for November. Each of the twelve divisions was far below those for November last year both as to number and in most cases, liabilities. In the New York District, alone, 183 fewer defaults were recorded, in comparison with the November, 1932, figures and a monetary reduction of nearly \$7,000,000 appeared for this same territory. The Chicago division followed next in line with 85 fewer insolvencies and a decline in indebtedness of close to \$6,000,000. While numerically the failures in the Kansas City District compared favorably with the other territories, there was a closer mar-

gin of loss in the amount of money involved, a difference of only \$94,-756 being shown.

When the November, 1933, totals are contrasted with those of the same month in 1931, the result is even more gratifying. The declines in those two years were distributed in much the same manner as were the 1933 and 1932 totals, with the exception of Chicago where the amount of money involved in November, 1933, dropped nearly \$12,000,000 from the aggregate for that month in 1931.

Failures by Liability Groups November, 1933

	Number	Liabilities
\$5,000 and Under.....	460	\$1,199,223
\$5,000 to \$25,000.....	542	6,146,783
\$25,000 to \$100,000.....	182	8,700,646
\$100,000 and Over.....	53	9,306,724
Total	1,237	\$25,353,376

Failures by Federal Reserve Districts—November

Districts	Number			Liabilities		
	1933	1932	1931	1933	1932	1931
Boston (1).....	138	192	201	\$2,525,143	\$4,351,478	\$3,262,146
New York (2).....	311	494	487	6,929,758	13,801,388	13,283,371
Philadelphia (3).....	68	129	130	2,001,853	3,103,876	5,199,363
Cleveland (4).....	83	196	191	2,191,598	4,908,552	6,425,416
Richmond (5).....	64	147	139	1,495,124	4,250,000	2,570,911
Atlanta (6).....	49	109	117	578,973	2,610,908	2,553,485
Chicago (7).....	172	257	317	4,618,026	10,181,628	16,379,579
St. Louis (8).....	47	74	117	578,883	2,732,421	3,357,116
Minneapolis (9).....	46	70	66	660,519	1,181,354	681,317
Kansas City (10).....	75	108	146	868,533	963,289	1,619,202
Dallas (11).....	32	96	103	527,099	2,111,500	1,726,474
San Francisco (12).....	152	201	181	1,777,867	3,424,733	3,801,232
United States.....	1,237	2,073	2,195	\$25,353,376	\$53,621,127	\$60,659,612

	Manufacturing			Trading			Other Com'l	
	No.	Liabilities		No.	Liabilities		No.	Liabilities
First	37	\$761,885		80	\$947,884		21	\$815,374
Second	102	2,083,830		177	2,997,401		32	1,848,527
Third	16	390,992		46	1,040,921		6	1,169,940
Fourth	25	1,046,652		53	1,051,433		5	93,513
Fifth	16	469,448		44	819,865		4	205,811
Sixth	6	73,678		39	477,935		4	27,360
Seventh	45	1,812,671		113	2,098,677		14	706,678
Eighth	8	277,347		37	292,959		2	8,577
Ninth	1	11,500		42	488,272		3	160,747
Tenth	11	281,785		58	485,994		6	100,764
Eleventh	2	19,533		28	458,298		2	49,268
Twelfth	42	579,149		103	1,103,584		7	95,134
United States....	311	\$7,808,470		820	\$12,263,223		106	\$5,281,683

Large and Small Failures—November

MANUFACTURING						
	Total		\$100,000 & More		Under \$100,000	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
1933....	311	\$7,808,470	20	\$2,892,285	291	\$4,916,185
1932....	480	23,918,463	51	15,934,655	429	7,983,808
1931....	519	26,112,477	46	17,508,404	473	8,598,043
1930....	448	19,437,989	40	13,726,963	408	5,711,026
1929....	481	14,179,628	30	9,329,314	451	4,850,314
1928....	519	15,445,845	29	8,600,437	490	6,845,408
1927....	478	12,785,562	24	6,247,255	454	6,538,307
1926....	440	16,097,444	34	9,978,412	406	6,119,032
1925....	442	13,993,701	20	7,025,156	442	6,968,545
1924....	361	10,252,127	18	4,726,272	343	5,525,855
1923....	495	29,155,918	41	21,511,690	454	7,644,228
1922....	456	15,007,973	26	8,662,764	430	6,345,209
1921....	445	23,871,636	45	17,228,433	400	6,643,203

TRADING						
	Total		\$100,000 & More		Under \$100,000	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
1933....	820	\$12,263,223	17	\$3,085,535	803	\$9,177,688
1932....	1,461	23,094,842	32	6,722,161	1,429	16,372,681
1931....	1,545	27,229,022	37	9,048,448	1,508	18,186,574
1930....	1,447	21,217,042	23	5,960,188	1,424	15,256,854
1929....	1,166	16,122,076	26	4,707,905	1,140	11,414,171
1928....	1,202	17,223,965	26	5,635,326	1,176	11,588,639
1927....	1,276	16,949,262	19	4,632,360	1,257	12,316,902
1926....	1,285	14,157,616	15	2,515,166	1,270	11,642,450
1925....	1,146	18,907,091	20	8,268,212	1,126	10,638,879
1924....	1,193	15,781,521	17	3,549,290	1,176	12,232,231
1923....	1,131	17,103,748	24	5,085,173	1,107	12,108,575
1922....	1,230	18,741,023	22	4,585,478	1,208	14,155,545
1921....	1,415	23,370,389	31	6,876,346	1,384	16,494,043

ALL COMMERCIAL						
	Total		\$100,000 & More		Under \$100,000	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
1933....	1,237	\$25,353,376	53	\$9,306,724	1,184	\$16,046,652
1932....	2,073	53,621,127	99	26,640,681	1,974	26,980,446
1931....	2,195	60,659,612	98	31,866,405	2,097	28,793,207
1930....	2,031	55,260,730	79	32,819,271	1,952	22,441,459
1929....	1,796	52,045,863	75	33,681,683	1,721	18,414,180
1928....	1,838	40,601,435	71	20,732,936	1,767	19,868,499
1927....	1,864	36,146,573	52	15,664,525	1,812	20,482,048
1926....	1,830	32,693,993	55	13,395,298	1,775	19,298,695
1925....	1,672	35,922,421	48	17,229,212	1,624	18,693,209
1924....	1,653	31,123,910	43	12,357,862	1,610	18,766,048
1923....	1,704	50,291,708	72	29,639,506	1,632	20,652,202
1922....	1,737	40,265,297	58	19,105,732	1,679	21,159,565
1921....	1,988	53,469,839	88	31,070,347	1,900	22,399,492

In comparing the November total with that of the month preceding, it appeared that only one large increase was shown. The Kansas City District rose to 75, a gain of 36 defaults over the October figure. The liabilities were also higher for that district. Substantial monetary reductions were shown in both the New York and Chicago territories. These two sections were mainly responsible for the decline of over \$5,000,000 which appeared in the total for November, the aggregate being \$25,353,376 for that month and \$30,581,970 for October.

Large Failures Lower

The large failures for the month of November, that is those with liabilities of \$100,000 or more in each instance were fewer in both number and amounts involved, compared with the figures for the month preceding.

The total number was 53 for November against 71 in October and the liabilities were \$9,306,724, as compared with \$15,772,795.

There were 20 such failures in the manufacturing class, involving \$2,892,285, compared to 51 in 1932 for \$15,934,655. For the trading group, 17 large insolvencies appear with \$3,085,535 of indebtedness.

A year ago, such failures numbered 99, with a total indebtedness of \$26,640,681. The record of large failures for the year to date and for the corresponding period of 1932, follows:

	1933		1932	
	No.	Liabilities	No.	Liabilities
Jan.	116	\$39,545,958	156	\$47,947,642
Feb.	101	32,911,351	141	45,645,851
Mar.	93	22,467,109	156	50,518,378
Apr.	117	26,159,378	161	62,483,222
May	114	23,921,370	136	46,706,153
June	80	14,101,730	137	40,505,932
July	60	10,606,039	160	54,235,101
Aug.	83	24,865,863	128	36,682,281
Sept.	42	8,056,364	104	26,406,560
Oct.	71	15,772,795	116	26,741,540
Nov.	53	9,306,724	99	26,640,681

Branches of Business

The number of manufacturing defaults was not so much lower in November as to make any striking contrast with the previous month's total, 311 manufacturing insolvencies during the former month comparing with 314 in October. There was about \$1,000,000 less money involved in the failures for November. During November, 1932, 480 manufacturing defaults occurred with liabilities of \$23,918,463, this amount being over \$16,000,000 above that month this year. For retail and wholesale lines combined, the number was 820 compared with 780 during last month. In point of money the difference is about the same between the two months as that for the manufacturing division, slightly over \$1,000,000 lower than during October. Last year the trading failures numbered 641 more than in the current year and the total of \$23,094,842 of indebtedness for the earlier year was nearly twice the size of the aggregate of \$12,263,223 for November, 1933.

The failures among agents and brokers dropped only six in number from the October total, but there was a decline of \$3,000,000 in the liabilities. These liabilities did not make quite the favorable showing in comparison with the 1932 figures as did the manufacturing, wholesale and retail classifications, a total of \$5,281,683 appearing in November, 1933, as against one of \$6,007,822 in the earlier year.

Failures by Divisions of Industry—November, 1933

	Number		Liabilities	
	Nov., 1933	Oct., 1933	Nov., 1933	Oct., 1933
MANUFACTURERS				
Foods	29	17	\$889,884	\$693,913
Milling and Bakers	23	39	494,638	287,233
Chemicals and Drugs	6	11	51,885	234,678
Clothing and Furnishings	15	7	154,907	462,445
Textiles (Other)	20	22	312,846	447,989
Hats, Gloves and Furs	14	5	243,640	61,562
Shoes and Leather	9	13	575,638	150,995
Paints . . . . .	..	2	..	12,500
Rubber Goods . . . . .	..	1	..	30,000
Tobacco and Beverages	8	7	78,853	205,585
Furniture . . . . .	..	3	..	27,296
Lumber and Building Lines	34	33	1,095,131	965,322
Machinery	9	16	177,888	306,356
Transportation Equipment	11	13	153,597	379,015
Iron and Steel	35	24	825,087	263,558
Non-Ferrous Metals	8	8	132,807	97,284
Petroleum and Coal	5	4	336,046	1,665,000
Printing and Publishing	27	22	774,578	415,290
Paper and Paper Products	3	4	18,304	201,022
Stone, Clay and Glass	16	19	506,415	874,233
All Other	39	44	986,326	1,048,600
Total Manufacturers	311	314	\$7,808,470	\$8,849,876
RETAIL DEALERS				
General Stores	41	41	\$420,366	\$595,590
Groceries, Meat & Fish	219	211	1,640,439	1,647,706
Clothing and Furnishings	74	55	857,839	720,982
Dry Goods & Department Stores	20	31	434,851	754,952
Hats, Gloves and Furs	9	6	61,570	46,454
Leather and Shoes	28	19	174,744	248,524
Furniture	11	17	229,414	220,647
Lumber and Building Materials	13	4	747,999	182,807
Chemicals and Drugs	79	52	754,388	470,090
Paints	5	4	25,754	39,397
Tobacco, Billiards and Beverages	11	9	143,735	72,392
Paper and Paper Products	7	5	62,262	55,233
Books and Periodicals	1	3	3,291	63,463
Rubber Goods	4	3	5,701	41,726
Jewelry and Clocks	16	16	206,740	211,871
Machinery	15	15	165,538	186,846
Non-Ferrous Metals . . . . .	..	1	..	2,610
Hardware and Tools	39	31	546,252	303,952
Iron and Steel	1	4	26,333	37,717
Hotels and Restaurants	57	65	1,278,431	1,620,613
Petroleum and Coal	25	21	735,643	435,381
Stone, Clay and Glass	1	5	9,031	74,708
Transportation Equipment	23	28	506,191	950,725
All Other	36	54	398,993	957,851
Total Retail Dealers	735	700	\$9,435,505	\$9,942,237
WHOLESALE DEALERS				
Books and Periodicals . . . . .	..	1	..	\$86,962
Chemicals and Drugs	2	3	\$5,100	186,000
Furniture	1	..	12,000	..
Lumber and Building Materials	6	6	350,322	1,003,772
Groceries, Meat and Fish	32	25	1,005,710	518,365
Iron and Steel	9	6	591,346	401,683
Leather and Shoes	3	1	41,738	25,777
Machinery	1	6	20,988	288,090
Non-Ferrous Metals	1	..	75,000	..
Paints	1	4	6,879	50,708
Paper and Paper Products	1	1	14,000	86,875
Petroleum and Coal	4	5	29,393	40,758
Rubber Goods . . . . .	..	..	..	..
Stone, Clay and Glass	4	4	70,835	69,218
Clothing and Furnishings	3	..	13,154	..
Dry Goods	3	2	70,246	73,244
Transportation Equipment	4	5	117,000	24,924
All Other	10	11	404,007	486,132
Total Wholesale Dealers	85	80	\$2,827,718	\$3,342,508
AGENTS AND BROKERS				
Advertising	4	..	\$174,791	..
Brokers (Investment)	2	9	93,777	\$1,754,672
Cleaners	4	7	28,450	80,244
Garages	18	13	137,872	539,458
Hauling	10	10	133,828	245,477
Insurance	5	3	124,919	125,121
Laundries	4	11	61,720	214,954
Real Estate	26	26	1,991,324	2,974,016
Taxicab Companies	1	2	7,000	12,663
Undertakers	7	4	201,123	45,950
All Other	25	27	2,326,879	2,454,794
Total Agents and Brokers	106	112	\$5,281,683	\$8,447,349
Total United States	1,237	1,206	\$25,353,376	\$30,581,970
Total 1932	2,073	2,273	\$53,621,127	\$52,869,974

Failures by States—November and October, 1933

	Number		Liabilities	
	November	October	November	October
NEW ENGLAND				
Maine	18	10	\$162,011	\$254,781
New Hampshire	3	5	25,550	191,808
Vermont	6	1	48,426	8,376
Massachusetts	65	84	1,531,791	1,451,533
Connecticut	39	40	830,490	409,922
Rhode Island	20	13	239,424	74,673
Total	151	153	\$2,837,692	\$2,391,093
MIDDLE ATLANTIC				
New York	246	262	\$5,860,084	\$8,117,220
New Jersey	63	58	1,016,524	2,404,855
Pennsylvania	72	71	3,009,626	3,415,111
Total	381	391	\$9,886,234	\$13,937,186
SOUTH ATLANTIC				
Maryland	26	32	\$464,009	\$315,884
Delaware	2	..	15,925	.....
District of Columbia	3	5	49,736	32,438
Virginia	11	10	420,081	70,165
West Virginia	10	18	466,784	140,008
North Carolina	14	9	277,910	214,703
South Carolina	3	3	81,972	112,199
Georgia	10	8	81,435	59,427
Florida	6	6	189,352	65,125
Total	85	91	\$2,047,204	\$1,009,949
SOUTH CENTRAL				
Kentucky	14	8	\$180,437	\$97,328
Tennessee	21	9	239,986	160,635
Alabama	12	13	100,413	315,402
Mississippi	2	3	5,427	39,490
Arkansas	15	13	312,392	423,536
Oklahoma	10	9	152,753	131,409
Louisiana	6	7	59,394	73,746
Texas	28	35	489,012	1,354,133
Total	108	97	\$1,539,814	\$2,595,679
CENTRAL EAST				
Ohio	54	63	\$1,211,382	\$1,177,919
Indiana	25	16	473,537	138,211
Illinois	74	89	1,785,682	2,578,737
Michigan	22	36	322,549	1,432,574
Wisconsin	48	33	1,480,889	1,204,514
Total	223	237	\$5,274,039	\$6,531,955
CENTRAL WEST				
Minnesota	29	27	\$453,488	\$219,788
Iowa	19	17	580,195	1,207,762
Missouri	24	24	266,496	509,435
North Dakota	7	4	128,113	32,302
South Dakota	3	4	28,447	12,181
Nebraska	30	7	149,975	55,274
Kansas	5	6	43,149	30,354
Total	117	89	\$1,649,863	\$2,067,096
WESTERN				
Montana	2	4	\$9,000	\$33,705
Idaho	3	3	12,100	3,600
Wyoming	2	2	34,817	19,500
Colorado	13	7	222,962	47,973
New Mexico .....	..	1	.....	32,650
Arizona	4	..	42,364	.....
Utah	7	2	129,700	7,950
Nevada	2	..	14,000	.....
Total	33	19	\$464,943	\$145,384
PACIFIC				
Washington	31	32	\$140,408	\$326,045
Oregon	23	28	155,513	326,690
California	85	69	1,357,666	1,250,893
Total	139	129	\$1,653,587	\$1,903,628
UNITED STATES				
Total	1,237	1,206	\$25,353,376	\$30,581,970
" 1932	2,073	2,273	\$53,621,127	\$52,869,974

Failures by States

In the analysis of the November failures by States, it appears that the rise was chiefly in the South Central, Central Western, Western and Pacific Coast States, in comparison with the October figures. Insolvencies in the New England section were off 2 in number, the Middle Atlantic 10 and the South Atlantic 6. The monetary loss in the Middle Atlantic States was \$4,000,000, this decline being the major factor in bringing the total below the October aggregate. In three sections, namely, the New England, South Atlantic, and Western, the indebtedness increased this month. Individual failures of unusual size contributed largely to these advances.

A contrast with last month's figures can scarcely be made as both months are so closely aligned both as to number and amount of money involved.

Failures in Specified Cities in United States—November, 1933

City	Fed. Res. Dist.	Pop.	Failures	
			No.	Liabilities
Baltimore	5	804,874	20	\$417,546
Boston	1	781,188	21	460,698
Buffalo	2	573,076	14	259,119
Chicago	7	3,376,438	44	1,156,060
Cincinnati	4	451,160	5	53,232
Cleveland	4	900,429	12	398,582
Detroit	7	1,568,662	8	125,215
Los Angeles	12	1,238,048	28	612,595
Milwaukee	7	578,249	23	1,110,703
New York City	2	6,930,446	172	4,355,436
Philadelphia	3	1,950,961	23	1,471,044
Pittsburgh	4	669,817	6	60,925
St. Louis	8	821,960	3	14,480
San Francisco	12	634,394	6	34,890

Failures in specified cities in the United States for November totalled 385, with a monetary loss of \$10,530,525. Last month, for the same cities, there were 411, with an indebtedness of \$12,674,826. This is a decrease for this month of 6.3 per cent in number and 16.9 in amount of money involved, as compared with the October totals. Of the fourteen large cities included, eight showed declines compared with the month preceding. Losses were shown for Cleveland, Detroit, St. Louis and San Francisco, while a greater number was recorded for Los Angeles, Milwaukee, New York, and Philadelphia.

UPTREND OF BANK CLEARINGS CHECKED IN NOVEMBER

BANK clearings in November were slightly below the total for the preceding month, as the aggregate was \$18,061,693,000, compared with \$19,420,036,000 in October. Early returns for November indicated an increase over the October figure, as clearings held to their upward course until the last week, when a decline of \$666,620,000 was shown. As compared with the November, 1932, record, there was an increase of 11.0 per cent. The November figure, however, was higher than the total for either August or September and also for several months prior to June. During June and July, there was considerable activity in the speculative markets, which helped to swell the total to the highest point so far this year.

Clearings at New York City were, with exception of the last week, higher throughout the month. While the increase in bank clearings over a year ago was mainly at New York City, other large centers also reported a higher total, chiefly Boston, Chicago, San Francisco, and Portland.

Improvement in business conditions in the South again was re-

Bank Clearings in 1933

	1933	1932	Per Cent
Nov.	\$758,019,000	\$678,686,000	+11.7
Oct.	778,720,000	751,537,000	+3.6
Sept.	725,235,000	755,762,000	-4.0
Aug.	713,937,000	685,932,000	+4.1
July	899,046,000	712,181,000	+26.2
June	823,911,000	748,933,000	+9.1
May	723,052,000	729,342,000	-0.9
April	618,997,000	794,652,000	-22.4
March	599,826,000	965,893,000	-41.0
Feb.	743,153,000	803,848,000	-7.5
Jan.	732,125,000	972,406,000	-24.7

Average daily clearings each month.

flected in the reports of clearings from Atlanta, Richmond, Louisville, and Dallas. Another factor having a bearing on the course of bank clearings is the increased cost of many commodities this year. Some of these articles have advanced considerably over the price for the same period of 1932, this latter calculation is based on Dun's Commodity Price Index. On December 1, 1933, the Index stood at 159.491, compared with 133.898 on December 1, 1932. Naturally, this increase in the cost of commodities would be reflected in the bank clearings throughout the country.

The report on bank clearings for the first week of December is distorted by the interruption of the Thanksgiving Day holiday, five days' clearings showing a substan-

tial decline from the corresponding week a year ago. The total for the week at all leading cities in the United States was \$4,193,909,000, or 9.9 per cent less than the total for the six days of last year. At New York City, clearings were \$2,932,449,000, a reduction of 9.4 per cent, and for the centers outside of New York the aggregate sum was \$1,261,460,000, a decline of 11.0 per cent.

The larger declines were quite generally distributed throughout the United States. There were a few exceptions, especially among some of the important Southern cities where bank settlements have been somewhat larger for several months past. A small gain appears at Portland. Total clearings for the five days this week are larger than the amount reported for the six days of the preceding week by \$132,280,000. A year ago the total for the six days exceeded that for the preceding five days by \$1,183,866,000.

Figures for leading centers, compared with those of last year, are printed herewith; also, daily bank clearings for the year to date:

WEEKLY BANK CLEARINGS FOR THE MONTH OF NOVEMBER

	Five Days Nov. 8, 1933		Week Nov. 15, 1933		Week Nov. 22, 1933		Week Nov. 29, 1933	
		Per Cent		Per Cent		Per Cent		Per Cent
Boston	\$202,875	+7.8	\$179,761	+2.8	\$203,415	-0.4	\$181,233	+12.1
Philadelphia	229,000	+1.8	234,000	-11.7	256,000	-9	238,000	...
Baltimore	38,269	-12.5	40,618	-22.3	44,415	-11.6	38,202	-15.1
Pittsburgh	68,049	+2.6	75,698	+4.0	77,786	-3.7	73,393	+14.5
Buffalo	21,100	+15.3	25,500	-1.2	24,700	+2.1	23,200	+19.0
Chicago	196,600	+28.9	188,000	+3.8	200,100	+16.5	182,700	+26.3
Detroit	46,190	+10.9	45,938	-8.8	58,291	+12.1	53,333	+27.0
Cleveland	47,960	-6.3	48,256	-21.0	57,127	-10.5	48,716	-9.7
Cincinnati	35,278	+8.6	32,890	-11.3	40,259	+5.2	32,180	+11.4
St. Louis	56,900	+4.2	55,900	+6.3	89,700	+55.0	53,600	+5.7
Kansas City	57,362	+11.8	51,948	-3.2	65,535	-3.2	55,361	+23.3
Omaha	21,271	+8.0	19,950	+7.4	24,125	+10.7	21,422	+38.0
Minneapolis	65,725	+49.0	49,296	+4.2	57,424	+26.6	49,348	+28.3
Richmond	27,061	+6.2	30,047	+2.2	33,412	+13.8	31,403	+26.5
Atlanta	35,000	+43.4	33,600	+30.2	40,500	+48.3	31,300	+43.6
Louisville	19,531	+7.9	18,886	-1.1	21,736	+27.7	17,022	+24.6
Dallas	36,435	+42.0	32,009	+0.3	44,215	+38.4	33,685	+43.0
San Francisco	97,500	+37.5	89,800	+1.0	107,600	+16.6	95,100	+31.9
Portland	18,421	+25.1	22,809	+6.3	21,831	+18.1	16,997	+37.4
Seattle	19,279	+22.1	18,097	-14.5	21,401	-1.1	18,725	+20.8
Total	\$1,334,806	+13.3	\$1,208,091	-2.8	\$1,489,572	+7.2	\$1,294,920	+14.6
New York	2,867,340	+30.0	3,020,009	+11.9	3,238,677	+31.1	2,766,709	+18.1
Total All	\$4,202,146	+24.2	\$4,318,100	+6.7	\$4,728,249	+22.5	\$4,061,629	+17.0

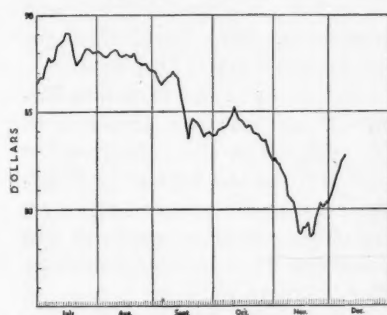
Note—Clearings reported in millions and thousands (000 omitted throughout). Percentage shows increase or decrease compared with the figures of the same week in 1932.

	Five Days Dec. 6, 1933	Week Dec. 7, 1932	Per Cent
	000 omitted		
Boston	\$175,345	\$199,501	-12.1
Philadelphia	225,000	306,000	-26.5
Baltimore	39,945	54,692	-27.0
Pittsburgh	75,745	83,105	-8.9
Buffalo	22,100	24,400	-9.4
Chicago	175,000	185,300	-5.6
Detroit	46,870	55,525	-15.6
Cleveland	46,771	57,197	-18.4
Cincinnati	34,442	37,863	-9.0
St. Louis	60,600	43,900	+38.0
Kansas City	54,509	54,508	.....
Omaha	19,796	20,100	-1.5
Minneapolis	47,037	47,699	-1.4
Richmond	25,097	29,589	-15.2
Atlanta	28,600	25,300	+13.0
Louisville	18,636	18,270	+2.0
Dallas	32,361	29,980	+8.9
San Francisco	96,100	106,600	-9.0
Portland	17,955	15,959	+1.2
Seattle	19,551	22,208	-12.0
Total	\$1,261,460	\$1,417,726	-11.0
New York	2,932,449	3,238,102	-9.4
Total All	\$4,193,909	\$4,655,828	-9.9
Average Daily:			
Dec. to date	\$838,782	\$775,972	+8.1
November	758,019	678,686	+11.7
October	778,720	751,537	+3.6
Third Quarter	779,406	717,958	+8.6
Second Quarter	722,682	759,314	-4.8
First Quarter	677,081	923,396	-26.7

SECURITY PRICES MOVE STEADILY HIGHER

THE stock price trend was strongly upward during the greater part of November. The rise halted in the final week but was resumed again early in December with the November high being exceeded on December 6.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." The best improvement in a number of months occurred in bond prices in late November and early December.

In the first week of November the Dow-Jones Average of 30 Industrials was under 90 for several days. Two weeks later it was over 100. The high point of the month was reached on November 21 when the average closed at 100.29. A decline followed, and then a brisk rally, which brought the average to 102.04, higher than any point reached either in October or November and within a few points of the September high.

December is notoriously a month of stock market irregularity because of seasonal factors of a depressing nature which normally make themselves felt at that time. In the past there has been a very marked falling off in industrial activity and in manufacturing operations from November 1 onward as industries have let down prior to a renewal of activity, possibly along different style lines, in the Spring. The slackening has been reflected in all the major commercial indices and stock price

averages have quite often tended irregularly downward during the period.

In view of this seasonal characteristic it is particularly encouraging to find stock prices in the first week of December engaged in a vigorous upswing and rising above the levels of the two preceding months.

The course of business during the period immediately preceding December has undoubtedly been a major influence in shaping this trend. Standard indices of all kinds have clearly shown a marked revival of activity. Carloadings and electric power have been above 1932 levels for more than six months. Bank clearings have reflected a greatly increased volume of check payments. Prices have risen on an average of over 25 per cent since the first of the year.

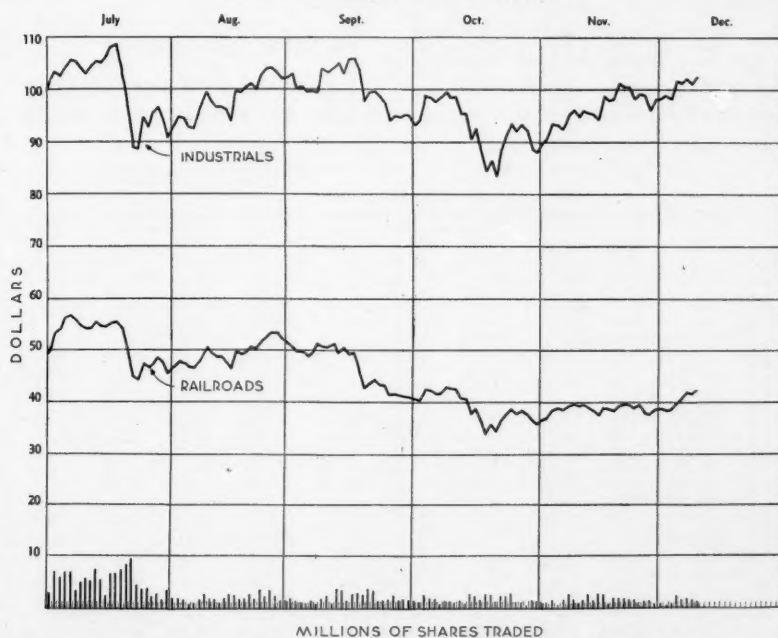
Business Gains Reported

Supplementing the actual indices are the weekly trade reports from all over the United States. In recent weeks these have reported business gains in all directions. Retail trade has been well maintained and impressive progress has been made in returning the unemployed to work.

Bond prices which sagged from the middle of October to the latter part of November also engaged in a smart upward movement toward the end of that month and early December. On December 7, the Dow-Jones Average of 40 Bonds closed at 82.39, at which point it showed substantial recovery from the November low.

Railroad bonds showed strength following improved earnings reports and dividend actions.

STOCK PRICES AND VOLUME *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." In this chart, the Dow-Jones 30 Industrials, the Dow-Jones 20 Rails, and the daily trading volume are plotted on the same scale. A sharp upswing in stock prices got under way in November and lasted into early December. This favorable movement is particularly encouraging as December is often a month of irregular prices.

INTERNATIONAL MONEY MARKETS

FOR a number of weeks the financial community had been speculating as to the manner in which the December 15 Treasury maturities would be handled. These consisted of \$728,000,000 in maturing certificates of indebtedness and of \$114,000,000 in interest payments.

It was announced on December 7 that the obligations would be retired from the proceeds of the sale of \$950,000,000 of one-year $2\frac{1}{4}$ per cent Treasury notes. At the close of business on the same day it was apparent to close observers that the offering would be successful. That there would be an over-subscription was generally agreed, with estimates of the application total ranging from \$2,000,000,000 to \$3,000,000,000.

There was ample evidence that the interest rate was regarded as attractive by regular purchasers of Treasury issues. The rate of $2\frac{1}{4}$ per cent is the highest carried by a short term issue in several years, except for those dated during March of this year. As a result, a number of corporations, not regu-

lar buyers, were reported among the applicants for the new notes.

The current issue is designed to retire two distinct series of certificates. One is in the total amount of \$473,328,000, which is a nine-month series bearing interest at the rate of $4\frac{1}{4}$ per cent. The other is a one-year 1 per cent series totalling \$254,364,500. The total of the two is \$727,692,500, while the interest on them amounts to an annual rate of \$22,660,085, or approximately 3.12 per cent.

It is customary to allot slightly more than the original offering in case of large over-subscriptions. Should this procedure be followed in the present case and a total of \$1,000,000,000 be allotted, the annual interest cost would be \$22,500,000, or \$160,000 less. After retiring these maturities and making the \$114,000,000 interest payment there would still remain nearly \$160,000,000 for the Treasury balance.

Dollar Price Watched

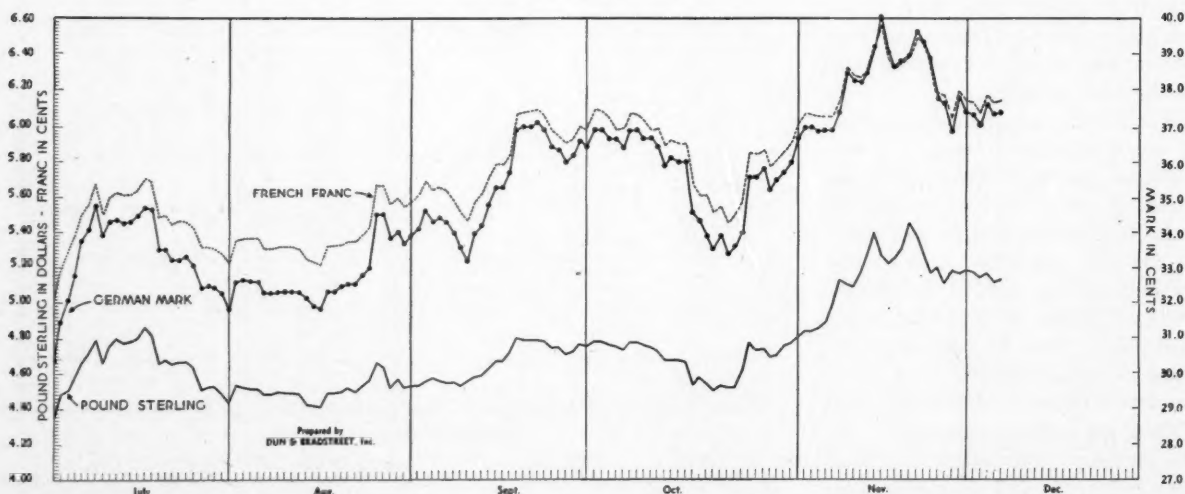
The attention of world money markets was concentrated on the

gold price of the dollar during the month of November. On the first day of the month it was \$32.12 per ounce. It rose by small amounts from then until the 14th when the new price of \$33.56 was set. This held unchanged for several days. There were a few additional small increases late in the month and on December 1 a price of \$34.01 was announced. This lasted throughout the first week of December.

Currencies of the principal European nations were sensitive to the advance in the bid price for gold and tended higher as it advanced. On November 1 the sterling check quotation was \$4.80. On November 21 it reached a peak of \$5.44. From this point it receded as the price of gold rose more slowly. It was \$5.19 $\frac{1}{2}$ on December 1. With gold holding at \$34.01 for the next few days, sterling dropped further and on the 7th was quoted at \$5.13.

The course of francs was roughly parallel to that of sterling. The check quotation on November 1 was 6.02 $\frac{1}{4}$. The highest quotation of the month, 6.48 $\frac{3}{4}$ c, was attained

THE DOLLAR ABROAD



Reacting to our policy of bidding for gold in the world's markets, the principal European currencies moved into new high ground in November.

on the day that the high was registered by sterling, November 21. From this point francs fell to 6.14½ on December 1, but they held reasonably firm after that and were 6.15 on the 7th.

Marks ranged from 36.73 on November 1 to 40.03 on November 15 and then sank to 37.45 on December 1. The other free currencies tended to follow the same trend as these three primary monies during the period under review.

Money Rates Show Firmness

During November money rates were low as borrowing demand

continued light and followed closely the tendency of recent months which has found money rates consistently unchanged at very low levels. A change was shown early in December, and for the first time in a number of months, there was a general firming in the rates for the principal classes of paper.

On December 7 call money on the Stock Exchange was advanced to 1 per cent. This was the first change in this rate in over three months and the first advance in nearly nine months. The increase was ¼ of 1 per cent, the rate for-

merly had been ¾ of 1 per cent.

During the course of the same day dealers in acceptances raised the rate on thirty-day bills by ⅓ of 1 per cent, inaugurating the new charges of ¾ of 1 per cent bid, ⅓ of 1 per cent asked. Concurrently, the rates on sixty-day bills and on sixty and ninety-day time money rates were also raised. For a number of months these rates have been dropping in the face of light demand. The consensus is that they are now firming in response to underlying improvement in the market, in part due to year-end conditions.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING NOVEMBER, 1933

	Wed. Nov. 1	Thurs. Nov. 2	Fri. Nov. 3	Sat. Nov. 4	Mon. Nov. 6	Tues. Nov. 7	Wed. Nov. 8	Thurs. Nov. 9	Fri. Nov. 10	Sat. Nov. 11	Mon. Nov. 13	Tues. Nov. 14	Wed. Nov. 15
Sterling, checks.....	4.80	4.84½	4.84½	4.86½	4.89½	4.91½	4.97½	5.12	5.10½	5.09½	5.16	5.26½	5.40½
Sterling, cables.....	4.80	4.84½	4.84½	4.86½	4.89½	4.91½	4.97½	5.12	5.10½	5.09½	5.16	5.26½	5.40½
Paris, checks.....	6.02½	6.08	6.07	6.09½	6.06½	6.16	6.16½	6.27½	6.26	6.26½	6.30	6.43½	6.56½
Paris, cables.....	6.02½	6.08½	6.07½	6.09½	6.06½	6.16	6.16½	6.27½	6.26	6.26½	6.30	6.43½	6.56½
Berlin, checks.....	36.73	37.08	37.00	36.97	36.95	37.49	38.48	38.25	38.22	38.48	38.50	39.26	40.03
Berlin, cables.....	36.73	37.10	37.02	36.99	36.97	37.51	38.50	38.25	38.22	38.50	39.26	40.03	40.05
Antwerp, checks.....	21.47½	21.67½	21.63½	21.61½	21.61½	21.95½	22.51½	22.35½	22.34½	22.49½	22.94½	23.39½	23.99½
Antwerp, cables.....	21.48	21.68	21.64	21.62	21.62	21.96	22.52	22.36	22.35	22.50	22.95	23.40	23.99½
Lire, checks.....	8.08½	8.16½	8.16½	8.15½	8.14½	8.27	8.48½	8.42½	8.42½	8.48	8.66½	8.84½	8.84½
Lire, cables.....	8.09	8.17	8.17	8.15½	8.15	8.28	8.40	8.42½	8.42½	8.49	8.67	8.84½	8.84½
Swiss, checks.....	29.82½	30.08½	30.05½	30.02½	30.04½	30.49½	31.24½	31.05½	31.02½	31.23	31.85½	32.48½	32.48½
Swiss, cables.....	29.88	30.09	30.06	30.03	30.05	30.50	31.25	31.06	31.03	31.23½	31.86	32.49	32.49
Gulders, checks.....	62.06	62.62	62.54	62.45	62.48	63.46	65.06	64.66	64.60	65.01	66.26	67.64	67.64
Gulders, cables.....	62.10	62.66	62.58	62.49	62.50	63.50	65.10	64.70	64.64	65.05	66.30	67.68	67.68
Pesetas, checks.....	12.84	13.00	12.98	12.97	12.96	13.16	13.45	13.30	13.30	13.09	13.30	13.87	13.87
Pesetas, cables.....	12.85	13.01	12.99	12.98	12.97	13.17	13.46	13.31	13.31	13.10	13.31	13.87	13.87
Denmark, checks.....	21.47	21.67	21.64	21.74	21.87	22.25	22.79	22.70	22.74	23.08	23.53	24.14	24.14
Denmark, cables.....	21.48	21.68	21.65	21.75	21.88	22.26	22.80	22.80	22.75	23.07	23.54	24.15	24.15
Sweden, checks.....	24.70	25.08	24.98	25.09	25.25	25.70	26.43	26.35	26.28	26.64	27.19	27.91	27.91
Sweden, cables.....	24.80	25.04	24.99	25.10	25.26	25.71	26.44	26.36	26.29	26.65	27.20	27.92	27.92
Norway, checks.....	24.15	24.39	24.34	24.44	24.58	25.00	25.74	25.67	25.59	25.95	26.42	27.18	27.18
Norway, cables.....	24.16	24.40	24.35	24.45	24.59	25.01	25.75	25.68	25.60	25.96	26.43	27.19	27.19
Greece, checks.....	.87½	.87	.88	.88½	.87½	.89	.91½	.91½	.89½	.91½	.92½	.94	.94
Greece, cables.....	.88	.87½	.88½	.88½	.87½	.89	.92	.91½	.90	.91½	.93	.95	.95
Portugal, checks.....	4.70	4.75	4.75	4.80	4.83	4.85	4.99	4.95	4.95	4.90	4.94	5.00	5.00
Portugal, cables.....	4.70	4.75	4.75	4.80	4.83	4.85	4.99	4.95	4.95	4.90	4.94	5.00	5.00
Australia, checks.....	3.83½	3.80½	3.80½	3.85½	3.90½	3.97½	4.08½	4.07½	4.07½	4.11½	4.21½	4.31½	4.31½
Australia, cables.....	3.84	3.87	3.87½	3.88½	3.91½	3.98	4.09½	4.08	4.08	4.12½	4.22	4.32	4.32
Montreal, demand.....	99.00	99.63	99.50	99.75	100.00	100.00	100.13	100.13	100.19	100.38	101.19	101.75	101.75
Argentina, demand.....	39.31	39.70	39.63	39.63	39.64	40.24	41.27	40.95	40.95	41.20	42.00	42.75	42.75
Brazil, demand.....	8.25	8.25	8.25	8.25	8.25	8.25	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Chile, demand.....	8.25	8.25	8.25	8.25	8.25	8.25	8.75	8.75	8.75	8.75	8.75	8.75	8.75
Uruguay, demand.....	69.00	69.00	69.00	69.00	69.00	69.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00

	Thurs. Nov. 16	Fri. Nov. 17	Sat. Nov. 18	Mon. Nov. 20	Tues. Nov. 21	Wed. Nov. 22	Thurs. Nov. 23	Fri. Nov. 24	Sat. Nov. 25	Mon. Nov. 27	Tues. Nov. 28	Wed. Nov. 29	Thurs. Nov. 30
Sterling, checks.....	5.27	5.22	5.24½	5.30½	5.44	5.39	5.28	5.18½	5.20½	5.10	5.19	5.17½	5.17½
Sterling, cables.....	5.27	5.22	5.24½	5.30½	5.44	5.39	5.28	5.18½	5.20½	5.10	5.19	5.17½	5.17½
Paris, checks.....	6.39½	6.32½	6.34½	6.39	6.48½	6.45½	6.34½	6.19	6.17½	6.05½	6.19½	6.14½	6.14½
Paris, cables.....	6.40	6.33	6.35	6.39½	6.49	6.46	6.35	6.19½	6.18	6.06	6.20	6.14½	6.14½
Berlin, checks.....	39.02	38.59	38.70	38.98	39.57	39.37	38.72	37.78	37.70	36.96	37.80	37.48	37.48
Berlin, cables.....	39.04	38.61	38.72	39.00	39.59	39.39	38.74	37.80	37.72	36.98	37.82	37.50	37.50
Antwerp, checks.....	22.81½	22.54½	22.62½	22.76½	23.09½	22.99½	22.59½	21.99½	21.98½	21.57½	22.05½	21.79½	21.79½
Antwerp, cables.....	22.82	22.55	22.63	22.77	23.10	23.00	22.60	22.00	21.99	21.58	22.06	21.80	21.80
Lire, checks.....	8.61½	8.52½	8.55½	8.61½	8.74½	8.70½	8.56½	8.34½	8.31½	8.15½	8.33½	8.26½	8.26½
Lire, cables.....	8.62	8.53	8.55½	8.61½	8.75	8.71	8.56½	8.34½	8.32	8.16	8.34	8.27	8.27
Swiss, checks.....	31.66½	31.34½	31.44½	31.64½	32.13½	31.99½	31.44½	30.69½	30.60½	29.99½	30.58½	30.34½	30.34½
Swiss, cables.....	31.67	31.35	31.45	31.65	32.14	32.00	31.45	30.70	30.61	30.00	30.59	30.35	30.35
Gulders, checks.....	65.90	65.22	65.43	65.86	66.83	66.50	65.34	63.76	63.65	62.39	63.48	63.11	63.11
Gulders, cables.....	65.94	65.26	65.47	65.90	66.87	66.54	65.38	63.80	63.69	62.43	63.52	63.15	63.15
Pesetas, checks.....	13.27	13.14	13.19	13.29	13.49	13.44	13.22	12.91	12.88	12.64	12.94	12.83	12.83
Pesetas, cables.....	13.28	13.15	13.20	13.30	13.50	13.45	13.23	12.92	12.89	12.65	12.95	12.84	12.84
Denmark, checks.....	23.55	23.34	23.44	23.69	24.31	24.08	23.59	23.17	23.25	22.78	23.19	23.13	23.13
Denmark, cables.....	23.56	23.35	23.45	23.70	24.32	24.09	23.60	13.18	23.26	22.80	23.20	23.14	23.14
Sweden, checks.....	27.21	26.95	27.07	27.37	28.08	27.88	27.26	26.77	26.85	26.33	26.79	26.72	26.72
Sweden, cables.....	27.22	26.96	27.08	27.38	28.09	27.84	27.27	26.78	26.86	26.34	26.80	26.73	26.73
Norway, checks.....	26.50	26.25	26.37	26.65	27.35	27.11	26.55	26.04	26.15	25.64	26.09	26.03	26.03
Norway, cables.....	26.51	26.26	26.38	26.66	27.36	27.12	26.56	26.05	26.16	25.65	26.10	26.04	26.04
Greece, checks.....	.92½	.92½	.92	.92½	.94	.93½	.92½	.88	.89½	.87½	.88½	.90½	.90½
Greece, cables.....	.93	.93	.92½	.92½	.95	.93½	.92½	.89	.90	.87½	.89	.90½	.90½
Portugal, checks.....	4.85	4.96	5.04	5.05	5.15	5.15	5.12	4.76	4.85	4.70	4.75	4.72	4.72
Portugal, cables.....	4.85	4.96	5.04	5.05	5.15	5.15	5.12	4.76	4.85	4.70	4.75	4.72	4.72
Australia, checks.....	4.21½	4.15½	4.18½	4.23½	4.32½	4.30½	4.22	4.13½	4.14½	4.07½	4.14½	4.12½	4.12½
Australia, cables.....	4.22	4.16	4.19½	4.24½	4.33	4.31½	4.22½	4.14½	4.15½	4.08	4.15½	4.18½	4.18½
Montreal, demand.....	102.50	102.25	102.25	103.13	103.81	103.50	102.38	101.25	101.50	101.00	101.81	101.63	101.63
Argentina, demand.....	43.00	41.35	41.35	41.80	42.45	42.20	41.50	40.40	40.40	39.65	40.48	39.50	39.50
Brazil, demand.....	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Chile, demand.....	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
Uruguay, demand.....	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00

* Holiday

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to *Dun & Bradstreet, Inc.*, of available wheat stocks held on December 2, 1933, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	Dec. 2, 1933	Changes from Last Week	Dec. 2, 1932
United States, east of Rocky Mountains.....	138,505,000	— 2,392,000	177,025,000
United States, west of Rocky Mountains.....	8,803,000	— 151,000	4,070,000
Canada.....	242,478,000	— 3,157,000	231,342,000
Total, United States and Canada.....	389,786,000	— 5,700,000	412,437,000
United Kingdom and Afloat (Broomhall).....	44,500,000	+ 300,000	47,200,000
Total, American, United Kingdom and Afloat.....	434,286,000	— 5,400,000	459,637,000
Continent { <i>Marseilles</i> } (Broomhall).....	7,100,000	Unchanged	4,500,000
Total, American and European Supply.....	441,386,000	— 5,400,000	464,137,000
Corn—United States and Canada.....	64,045,000	+ 1,193,000	27,531,000
Oats—United States and Canada.....	67,817,000	— 639,000	85,903,000

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

Week ending 1933	U. S. east of Rockies	U. S. Pacific Coast	Total U. S.	Canada	Total U. S. and Canada	U. K. and Afloat (Broomhall)	Total American, U. K. and Afloat	Continent Europe	Total America and Europe
Sept. 9.....	151,178	8,975	160,153	195,601	355,749	45,200	400,949	5,500	406,449
Sept. 16.....	152,806	9,579	162,385	199,891	362,276	44,000	406,276	5,700	411,976
Sept. 23.....	153,096	9,812	162,908	210,025	372,933	47,000	420,533	6,000	426,533
Sept. 30.....	153,438	10,002	163,440	213,356	376,796	47,900	424,696	6,600	431,296
Oct. 7.....	151,926	9,731	161,657	224,500	386,157	45,400	431,557	7,900	439,457
Oct. 14.....	152,848	9,840	162,688	229,935	392,623	46,300	438,923	8,300	447,223
Oct. 21.....	151,675	9,707	161,382	235,037	396,419	47,100	443,519	8,500	452,019
Oct. 28.....	149,719	9,749	159,468	244,965	404,433	45,700	450,133	8,800	458,933
Nov. 4.....	147,253	9,679	156,932	244,418	401,350	45,400	446,750	7,900	454,650
Nov. 11.....	145,311	9,532	154,843	246,479	401,322	42,400	443,722	7,600	451,322
Nov. 18.....	142,698	9,234	151,932	245,482	397,405	45,500	442,905	7,100	450,005
Nov. 25.....	140,897	8,954	149,851	245,635	395,486	44,200	439,686	7,100	446,786
Dec. 2.....	138,505	8,803	147,308	242,478	389,786	44,500	434,286	7,100	441,386

Wheat and Flour Exports

(By telegraph to *Dun & Bradstreet, Inc.*)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	1933	1932	1931
July 29.....	2,619,189	5,277,912	5,774,145
August 5.....	3,741,707	3,148,248	7,147,514
August 12.....	2,866,832	3,478,353	3,375,026
August 19.....	3,793,514	3,709,819	4,674,697
August 26.....	3,576,161	4,833,471	3,559,217
September 2.....	4,665,866	7,248,215	6,805,477
September 9.....	3,903,889	3,762,988	3,527,250
September 16.....	2,894,178	5,123,179	6,559,680
September 23.....	5,253,575	7,217,968	7,530,575
September 30.....	4,290,388	8,588,661	4,866,820
October 7.....	5,094,680	9,812,958	7,604,079
October 14.....	4,120,238	7,458,256	8,532,915
October 21.....	6,717,456	7,634,895	5,470,248
October 28.....	4,181,182	6,207,644	7,635,831
November 4.....	3,557,429	9,796,495	6,139,213
November 11.....	5,252,648	7,136,063	8,456,367
November 18.....	5,452,026	6,667,038	8,926,128
November 25.....	5,520,073	6,693,896	9,574,786
December 2.....	6,191,176	12,594,660	6,746,494

July 1 to date 92,877,609 146,098,815 143,293,073

Corn Exports

(By telegraph to *Dun & Bradstreet, Inc.*)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	1933	1932	1931
July 29.....	7,000	39,000	5,404
August 5.....		44,000	4,164
August 12.....	1,000	44,000	30,840
August 19.....		151,518	3,948
August 26.....		21,866	3,616
September 2.....	1,000		3,298
September 9.....		5,000	1,137
September 16.....		7,468	5,580
September 23.....	2,000	87,618	3,974
September 30.....		56,892	3,888
October 7.....	1,000	29,370	3,448
October 14.....		1,494	3,126
October 21.....	2,000	139,000	3,180
October 28.....	2,000	34,000	1,556
November 4.....	1,000	1,174,822	2,568
November 11.....	1,000	465,906	3,154
November 18.....		317,862	4,064
November 25.....	4,000	325,522	2,110
December 2.....	149,000	888,628	2,176

July 1 to date... 182,000 3,449,966 108,741

Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

	Flour, bbls.	Wheat, bus.	Corn, bus.	Oats, bus.
December 2, 1933.....	374	8,640	4,355	616
November 25, 1933.....	374	8,279	7,892	1,062
November 18, 1933.....	403	6,992	6,827	1,303
November 11, 1933.....	320	4,021	3,930	834
December 3, 1932.....	409	7,984	6,504	915

Season, July 1, 1933, to December 2, 1933—

Flour, bbls.... 7,607 Corn, bus.... 136,105
Wheat, bus.... 176,820 Oats, bus.... 55,088

Season, July 1, 1932, to December 3, 1932—

Flour, bbls.... 8,504 Corn, bus.... 99,121
Wheat, bus.... 240,636 Oats, bus.... 55,858

Cereal Exports by Ports

(By telegraph to *Dun & Bradstreet, Inc.*)

Export of cereals from leading ports in the United States and Canada for the week ending December 2, 1933, were as follows:

From	Flour, barrels	Wheat, bushels	Corn, bushels
New York.....	14,025	275,000	136,000
Albany, N. Y.....	.....	.....	13,000
Philadelphia.....	.....	32,000	.....
Baltimore.....	.....	.....	.....
Boston.....	.....	.....	.....
Newport News.....	.....	.....	.....
Portland, Me.....	.....	.....	.....
Norfolk.....	.....	.....	.....
New Orleans.....	12,000	3,000	.....
Galveston.....	.....	.....	.....
Mobile.....	.....	.....	.....
Total Atlantic.....	26,025	310,000	149,000
Previous week.....	14,812	305,000	4,000
San Francisco.....	1,900	.....	.....
Portland, Ore.....	8,663	617,792	.....
Puget Sound.....	28,700	.....	.....
Total Pacific.....	39,263	617,792	.....
Previous week.....	12,260	376,773	.....
Total U. S.....	65,288	927,792	149,000
Previous week.....	27,072	681,773	4,000
Montreal.....	84,000	2,469,000	.....
Quebec.....	.....	472,000	.....
Sorel.....	.....	311,000	.....
Halifax.....	10,000	.....	.....
Vancouver.....	.....	1,294,588	.....
Total Canada.....	94,000	4,546,588	.....
Previous week.....	78,000	4,365,476	.....
Grand total.....	159,288	5,474,380	149,000
Previous week.....	105,072	5,047,249	4,000

Canadian Grain Stocks

The available grain stocks in Canada December 2, 1933, follow, with comparisons:

(Last three 000 omitted)

	Wheat	Corn	Oats	Barley
Montreal.....	4,774	.....	685	426
Churchill.....	2,476	.....	.....	.....
Country Elevators.....	104,269	.....	7,851	3,719
Int. Term. Elevators.....	4,731	.....	456	97
Int. Private & Mfg. Elevators.....	4,936	.....	1,520	1,444
St. William and Ft. Arthur.....	59,340	.....	4,491	4,475
Canadian Afloat.....	2,969	.....	1,274	.....
Victoria.....	434	.....	.....	.....
Vancouver.....	12,818	.....	305	302
Prince Rupert.....	1,062	.....	1	.....
Bonded grain in U. S.....	16,758	.....	.....	.....
Other Canadian.....	27,881	.....	3,416	1,193
December 2, 1933.....	242,478	.....	10,999	11,656
November 25, 1933.....	245,635	.....	20,246	11,951
December 3, 1932.....	231,342	.....	8,587	5,632

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to *Dun & Bradstreet, Inc.*, by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

Pacific Coast Wheat Stocks

	Dec. 2, 1933	Nov. 25, 1933
Portland, Ore.....	4,334,000	4,437,000
Tacoma, Wash.....	1,471,000	1,485,000
Seattle, Wash.....	2,998,000	3,032,000
Total.....	8,803,000	8,954,000

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	Nov., 1933	Nov., 1932	Ch'ge P. Ct.	Oct., 1933	Ch'ge P. Ct.
Bank clearings, N. Y. City (\$)	12,526,013	10,901,816+	14.9	13,332,000—	6.0
Bank debits, N. Y. City (\$)	12,203,702	9,814,743+	24.3	13,280,176—	8.1
Bank debits, U. S. (\$)	24,130,537	20,750,134+	16.3	26,307,210—	8.3
Bond sales, Munic. (\$)	130,084,869	47,226,263+	172.6	80,164,163+	62.3
Bond sales, N. Y. Curb Exchange (\$)	66,225,000	62,939,000+	5.2	60,488,000+	9.5
Bond sales, N. Y. Stock Exchange (\$)	313,120,350	159,419,300+	96.4	232,922,600+	34.4
Corporate issues † (\$)	10,568,250	38,950,000—	72.9	1,421,250+643.6	
Dividend & interest pay- ments † (\$)	566,059,070	553,539,252+	2.3	412,855,459+	37.1
Failures, number †	1,237	2,075—	40.3	1,206+	2.6
Stock sales, N. Y. Curb Exchange (shares)	4,846,309	3,321,709+	45.9	5,919,844—	18.1
Stock sales, N. Y. Stock Exchange (shares)	33,645,736	23,037,683+	46.0	39,379,082—	14.6

	Oct., 1933	Oct., 1932	Ch'ge P. Ct.	Sept., 1933	Ch'ge P. Ct.
Automobile financing, re- tail (\$)	62,523,790	38,837,225+	61.0	71,186,944—	12.2
Auto. financing, whole- sale (\$)	51,127,428	18,676,535+	173.8	69,613,121—	26.6
Fire losses (\$)	21,465,382	30,734,458—	30.2	20,447,571+	5.0
Foreign Trade, U. S. Mds. Exports (\$)	194,000,000	153,090,000+	26.7	160,108,000+	21.2
Foreign Trade, U. S. Mds. Imports (\$)	151,000,000	105,499,000+	43.1	146,652,000+	3.0
Life insurance, sales (\$)	657,362,000	670,039,000—	1.9	577,776,000+	13.8
Ry. earnings, gross (\$)	294,341,594	295,175,402—	0.3	292,147,176+	0.8
Ry. earnings net oper. income (\$)	57,264,780	62,784,037—	8.8	60,936,370—	6.0

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.
|| December, 1933, and corresponding months. § September and corresponding months.

PRODUCTION

	Nov., 1933	Nov., 1932	Ch'ge P. Ct.	Oct., 1933	Ch'ge P. Ct.
Building† (215 cities) (\$)	27,988,488	29,301,309—	4.5	26,198,342+	6.8
Coal, anthracite (tons)	4,806,000	4,271,000+	12.5	4,711,000+	2.0
Coal, bituminous (tons)	30,435,000	30,632,000—	0.6	29,656,000+	2.6
Const. contr. awarded (37 States) †† (\$)	162,330,600	104,729,000+	55.0	144,938,000+	12.0
Flour (bbls.)	5,319,293	5,766,746—	7.8	5,326,905—	0.1
Pig iron (tons)	1,085,239	631,280+	71.9	1,356,361—	20.0
Steel ingot (tons)	1,540,882	1,032,221+	49.3	2,111,842—	27.0
Zinc (tons)	32,900	16,078+	104.6	35,195—	6.5

	Oct., 1933	Oct., 1932	Ch'ge P. Ct.	Sept., 1933	Ch'ge P. Ct.
Automobiles (cars and trucks)	138,475	48,702+184.3		196,082—	29.4
Boots and shoes (pairs)	31,397,954	33,089,741—	5.1	31,234,116+	0.5
Rabbit metal (lbs.)	2,090,634	1,573,273+	32.9	2,419,194—	13.6
Cement (bbls.)	5,037,000	7,939,000—	36.6	5,638,000—	10.7
Coke (tons)	2,604,265	1,806,316+	44.2	2,771,550—	6.0
Cotton mill spin. hours*	7,260,822	7,045,545+	3.1	7,057,744+	2.9
Electricity, k. w. h.*	7,490,000	7,073,000+	5.9	7,348,000+	1.9
Gasoline (bbls.)	35,971,000	33,212,000+	8.3	36,581,000—	1.7
Gold (Rand) (ozs.)	908,888	974,965—	6.8	901,799+	0.8
Lead, refined (tons)	41,803	29,330+	42.5	35,084+	19.2
Malleable castings (tons)	24,581	12,274+	98.6	27,078—	10.0
Newsprint, U. S. & Can- ada (tons)	273,504	234,237+	16.7	252,323+	8.4
Petroleum, crude (bbls.)	76,017,000	65,598,000+	15.9	78,186,000—	2.8
Pneumatic casings	3,999,239	2,538,720+	57.5	4,998,600—	19.9
Range boilers (no.)	798,981	422,637+	89.0	519,191+	18.6
Steel barrels	25,459	12,531+103.1		25,532—	0.3
Steel castings, commer- cial (tons)	146,106	108,111+	35.1	180,304—	19.0
Steel sheets (short tons)	158,406	84,471+	87.5	134,370+	17.9
Sulph. acid (tons)	158,406	84,471+	87.5	134,370+	17.9
Tobacco and products	9,176,408	8,351,365+	9.9	9,527,722—	3.7
Cigarettes, small*	408,451,691	436,832,436—	6.5	423,599,786—	3.6
Cigars, large	30,546,348	28,846,752+	5.9	29,132,858+	4.9
Tobacco and snuff (lbs.)					

* Three cyphers omitted. † Dun & Bradstreet, Inc. †† F. W. Dodge Corp.
§ September and corresponding months.

SHIPMENTS AND CONSUMPTION

	Nov., 1933	Nov., 1932	Ch'ge P. Ct.	Oct., 1933	Ch'ge P. Ct.
Silk consumption (bales)	34,822	43,955—	20.8	28,521+	22.1
Steel shipments (tons)	430,358			572,897—	24.9
Tin, deliveries U. S. (long tons)	3,350	3,240+	3.4	6,035—	44.5
Zinc, shipments (tons)	27,033	15,970+	69.3	38,277—	29.4
	Oct., 1933	Oct., 1932	Ch'ge P. Ct.	Sept., 1933	Ch'ge P. Ct.
Anthracite, ship. (tons)	4,146,978	4,770,307—	13.1	4,221,957—	1.8
Bituminous, ship. (tons)	1,554,931	1,192,652+	30.4	1,803,709—	13.8
Carloading (cars)	2,808,300	2,737,800+	2.6	2,760,100+	1.7
Cement, ship. (bbls.)	6,750,000	8,749,000—	22.8	6,517,000+	3.6
Coal, anth. and bit., ind. cons. (tons)	22,436,000	20,971,000+	7.0	21,285,000+	5.4
Cotton cons. (bales)	503,873	501,893+	0.4	499,486+	0.9
Gasoline cons. (bbls.)	32,973,000	32,680,000+	0.9	34,303,000—	3.9
Lead, refined (tons)	33,814	31,045+	7.3	29,129+	14.4
Malleable castings (tons)	20,442	11,615+	76.0	25,402—	56.0

SHIPMENTS AND CONSUMPTION (Continued)

	Oct., 1933	Oct., 1932	Ch'ge P. Ct.	Sept., 1933	Ch'ge P. Ct.
Newsprint, U. S. & Can- ada (tons)	271,906	234,490+	16.0	258,979+	5.1
Paints & var., sales (\$)	18,944,106	15,592,377+	21.5	19,097,803—	0.8
Petroleum, crude, runs- to-stills (bbls.)	75,461,000	66,698,000+	13.1	75,316,000+	0.2
Pneumatic casings	3,503,365	3,082,285+	13.7	4,707,085—	26.6
Range boilers (no.)	43,757	54,765—	20.1	55,416—	21.0
Steel sheets, ship. (short tons)	174,829	92,424+	89.2	163,634+	6.8
Sulph. acid, cons. (tons)	160,688	74,813+	114.8	94,881+	69.4
Rubber, cr. cons. (tons)	31,906	22,286+	43.2	35,686—	10.6
Steel barrels	789,474	417,470+	89.1	524,710+	50.5
Wool consump. (lbs.)	51,036,602	42,423,444+	20.3	50,467,261+	1.1

§ September and corresponding months.

STOCKS ON HAND AT END OF MONTH

	Nov., 1933	Nov., 1932	Ch'ge P. Ct.	Oct., 1933	Ch'ge P. Ct.
Silk, raw (bales)	91,122	57,932+	57.3	93,625—	2.7
Tin, world's visible sup- ply (long tons)	26,075	47,471—	45.1	27,940—	6.7
Zinc (tons)	101,004	121,948—	17.2	95,137+	6.2
	Oct., 1933	Oct., 1932	Ch'ge P. Ct.	Sept., 1933	Ch'ge P. Ct.
Bathroom access. (pcs.)	278,819	446,311—	37.5	287,186—	2.9
Vitreous clay	78,587	83,535—	5.9	79,770—	1.5
Cement (bbls.)	19,503,000	17,084,000+	14.2	21,216,000—	8.1
Coal, anth. and bit., ind. stocks (tons)	30,993,000	26,067,000+	18.9	32,158,000—	3.7
Coke, by-product (tons)	3,065,535	4,028,240—	23.9	2,984,797+	2.7
Opton, ex. lint. (bales)	1,361,190	1,267,181+	7.4	1,160,457+	17.3
In mfg. establishments	9,474,342	9,824,523—	3.6	7,374,559+	28.5
Gasoline at ref. (bbls.)	28,572,000	27,942,000+	2.3	28,747,000—	0.6
Lead, refined (tons)	174,721	171,445+	1.9	166,201+	5.1
Methanol (gallons)	447,222	295,806+	51.2	459,211—	2.6
Refined from wood distillate	1,124,687	3,442,098—	67.3	1,214,105—	7.4
Synthetic	406,939	253,055+	60.5	337,174+	20.7
Crude methanol	57,406	81,201—	29.3	55,808+	2.9
Petroleum, crude, excl. Calif. (bbls.)	8,408	6,772+	24.2	8,235+	2.1
Newsprint, U. S. & Can- ada (tons)	312,815,000	305,867,000+	2.3	315,878,000—	1.0
Oil-burners (no.)	7,594,506	6,096,098+	24.6	7,069,574+	7.4
Pneumatic casings	9,402	14,580—	35.5	9,509—	1.1
Porcelain plumbing fix- tures (pieces)	40,561	31,682+	28.0	38,600+	5.1
Range boilers (no.)	402,147	413,999—	2.9	391,892+	2.6
Rubber, U. S. & Abroad (long tons)	42,685	37,500+	13.8	33,178+	28.7
Steel barrels	105,331	105,833—	0.5	115,183—	8.6
Steel sheets (sh. tons)	101,028	88,817+	13.7	104,236—	3.1
Sulphuric acid (tons)					

§ September and corresponding months.

GOVERNMENT STATISTICS

	Oct. 31, 1933	Oct. 31, 1932	Sept. 30, 1933
Money in circul., U. S. (\$)	5,634,603,143	5,627,581,274	5,649,914,116
Population	125,983,000	125,112,000	125,911,000
Per capita (\$)	44.73	44.98	44.87
Gen. stock money, U. S. (\$)	10,043,105,899	9,367,601,015	10,024,117,886
	Nov. 30, 1933	Nov. 30, 1932	Oct. 31, 1933
Debt, gross, U. S. (\$)	23,534,115,772	20,806,013,836	23,050,256,717
United States:			
Receipts, ordinary (\$)	208,861,276	114,010,384	255,641,601
Expenditures, ord. (\$)	206,905,821	235,432,733	305,870,894
Expenditures, emerg. (\$)	293,514,400	86,821,417	104,184,253

MONTHLY INDEX NUMBERS

Price Index Numbers (Wholesale)

	Base Dec. 1, Year 1933	Nov. 1, 1933	Oct. 1, 1933	Same month 1932
DUN'S	\$159,491	\$160,433	\$162,632	\$133,898
BRADSTREET'S	\$8,8126	\$8,8480	\$9,0612	\$6,8855
U. S. Bureau of Labor	1913 103.2	104.4	104.8	88.4
Annals †	1926 68.7	67.9	68.9	64.7
Canada (Dom. Bureau) ‡				
	October, 1933	September, 1933	August, 1933	Same month 1932
U. K. (Board of Trade)	1913 102.6	103.0	102.5	101.1
U. K. (Economist)	1913 88.1	89.5	89.7	85.3
U. K. (Statist)	1913	94.9	95.5	94.6
France (Stat. Gen.)	1913 397	397	397	412
Italy (Bachi)	1913	276	278	300
Germany (Official)	1913 96.0	94.9	94.2	94.3
Belgium	1914 489	496	501	529
Denmark (Official)	1913 127	128	126	118
Norway	1913 123	123	122	123
Sweden	1913 109	109	108	110
Holland	1913	75	73	76
Japan (Bank of Japan)	1913	137.8	136.0	126.5
China (Shanghai)	1926 100.3	100.4	101.7	108.7

‡ Average over previous month.

THE TREND OF PRICES

DURING the opening week of November commodity prices advanced over the October level and rose steadily until mid-month. The recessions after that date brought some of the indices below the position occupied on November 1, while others closed the month at about the same figure as when it opened, due chiefly to the weakness in the foodstuffs group.

Dun & Bradstreet Index Recedes

Despite the declining trend during the closing weeks of the month, the Dun & Bradstreet Monthly Commodity Price Index on December 1 was off only four-tenths of 1 per cent from the November 1 figure, comparing with a decrease of 2.2 per cent from October to November.

Registering \$8.8126, it was, however, 28 per cent higher than on December 1, 1932, and was 38.7 per cent above the low point of this year, which was touched on March 1. When compared with the year's high position, which was reached on October 1, the figure for December 1 represents a drop of 2.6 per cent.

	Dec. 1, 1933	Nov. 1, 1933	Dec. 1, 1932
Breadstuffs	\$0.0954	\$0.0969	\$0.0562
Livestock .....	.2028	.2108	.2140
Provisions	2.0404	2.0543	1.9140
Fruits .....	.2420	.2494	.1976
Hides and Leather...	.8538	.8900	.7650
Textiles	2.7434	2.7266	1.6676
Metals .....	.7731	.7353	.4158
Coal and Coke .....	.0110	.0109	.0092
Oils .....	.4786	.4786	.3722
Naval Stores .....	.1152	.1050	.1020
Building Materials...	.1105	.1102	.0972
Chemicals and Drugs.	.8206	.8167	.8162
Miscellaneous .....	.3258	.3633	.2585
Total	\$8.8126	\$8.8480	\$6.8865

Second Drop in Dun's Index

After registering on November 1 the first loss in seven months from the figure of the month preceding, Dun's Index Number of Wholesale Commodity Prices on December 1 dropped to \$159.491, a decline of \$0.942, or .587 per cent. This was less than one-half the decrease recorded a month earlier.

	Dec. 1, 1933	Nov. 1, 1933	Oct. 1, 1933	Dec. 1, 1932
Breadstuffs ..	\$20.403	\$20.740	\$21.313	\$13.281
Meat	9.816	9.885	10.834	11.811
Dairy & Garden	23.058	23.507	24.347	20.007
Other Food...	17.004	16.969	17.043	16.374
Clothing	28.723	28.951	29.924	21.026
Metals	23.570	23.471	23.004	20.421
Miscellaneous.	36.877	36.910	36.167	30.978
Total	\$159.491	\$160.433	\$162.682	\$133.898

Weekly Index Above October

The Weekly Food Index started November with a rise of 2c. over

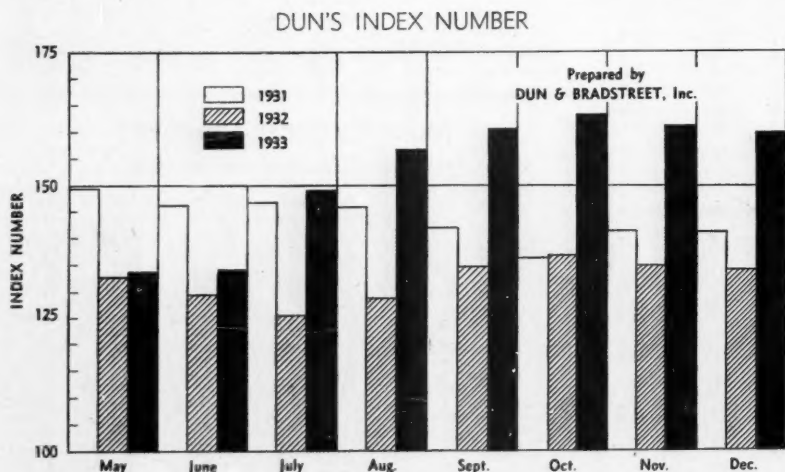
the closing week of October, and advanced to \$2.00 at midmonth, which was the highest point reached since the year's peak was touched on July 18. It then lost ground to close the month at \$1.93, the position occupied at the beginning. This figure, however, represents a gain of 11.6 per cent over the corresponding week of last year.

	1933	1932	1931	1930	1929
Nov. 28.....	\$1.93	\$1.72	\$2.07	\$2.61	\$3.14
Nov. 21.....	1.96	1.73	2.13	2.61	3.16
Nov. 14.....	2.00	1.71	2.09	2.67	3.13
Nov. 7.....	1.93	1.67	2.09	2.70	3.19

Small Gain in Daily Index

At no time during November did the Daily Weighted Price Index sink to the low positions of October. In fact, during most of the month it registered 100 or over, easing to around 99 for three days of the final week, but recovering sufficiently to end the month at 100.10, as compared with 98.99 when the month opened, and 101.14 on the corresponding day of October. A year ago, it stood at 73.58.

1933	1932
Nov. 1 98.99	Nov. 2 73.65
Nov. 2 99.18	Nov. 3 73.53
Nov. 3 99.78	Nov. 4 73.05
Nov. 4 100.18	Nov. 5 73.31
Nov. 5 100.08	Nov. 6 74.68
Nov. 6 100.08	Nov. 7 74.68
Nov. 7 Holiday	Nov. 8 Holiday
Nov. 8 101.06	Nov. 9 74.53
Nov. 9 102.27	Nov. 10 75.11
Nov. 10 102.45	Nov. 11 75.12
Nov. 11 102.44	Nov. 12 75.61
Nov. 12 102.30	Nov. 13 76.47
Nov. 13 102.77	Nov. 14 75.94
Nov. 14 102.42	Nov. 15 76.24
Nov. 15 102.69	Nov. 16 75.88
Nov. 16 101.96	Nov. 17 75.34
Nov. 17 101.23	Nov. 18 75.25
Nov. 18 101.03	Nov. 19 75.56
Nov. 19 101.45	Nov. 20 75.45
Nov. 20 100.92	Nov. 21 75.03
Nov. 21 100.12	Nov. 22 Holiday
Nov. 22 100.55	Nov. 23 73.82
Nov. 23 99.79	Nov. 24 73.88
Nov. 24 99.35	Nov. 25 73.74
Nov. 25 99.04	Nov. 26 73.67
Nov. 26 100.10	Nov. 27 73.58
Nov. 27 100.10	Nov. 28 73.29
Nov. 28 100.10	Nov. 29 73.29
Nov. 29 100.10	Nov. 30 73.29
Nov. 30 Holiday	Dec. 1 73.29
1933 High.....	July 18 113.52
1933 Low.....	Jan. 20 67.86
1932 High.....	Jan. 7 84.41
1932 Low.....	Dec. 24 69.55
1926 Average.....	171.52



After rising above its previous level for seven months in succession, a loss of 1.35 per cent was recorded for Dun's Index Number of Wholesale Commodity Prices on November 1, and one of .587 per cent on December 1. The current figure, however, is 19.1 per cent above that of December, 1932.

OCTOBER BUILDING PERMIT VALUES BY CITIES

THE following table presents the detailed report of building expenditures by cities during October and September of this year, and October a year ago, as reported to Dun & Bradstreet, Inc.:

THE following table presents the detailed report of building expenditures by cities during October and September of this year, and October a year ago, as reported to Dun & Bradstreet, Inc.:				Mid. Atlantic (Cont.)			Oct., 1933			Oct., 1932			Sept., 1933			South Central			Oct., 1933			Oct., 1932			Sept., 1933		
				New Brunswick..	\$10,342	\$4,465	\$19,590							Abilene			\$5,209	\$225	\$9,480								
				New Rochelle ..	44,379	17,931	52,479							Amarillo			11,443	6,564	17,752								
				Niagara Falls..	40,532	37,223	59,111							Austin			33,974	97,536	61,359								
				Philadelphia ..	406,500	765,970	400,280							Beaumont			28,319	13,759	19,822								
				Pittsburgh	124,440	555,513	799,176							Birmingham ..			32,723	114,893	81,198								
				Poughkeepsie ..	26,950	66,730	11,500							Chattanooga ..			48,615	886,225	28,978								
				Reading	18,600	15,045	12,800							Dallas			152,566	113,402	112,554								
				Rochester	180,019	139,997	60,977							El Paso			15,869	26,060	3,585								
				Schenectady ..	39,612	137,008	18,229							Fort Smith			5,996	18,372	8,183								
				Scranton	43,716	48,723	41,245							Fort Worth			74,406	106,845	76,821								
				Syracuse	57,429	81,205	29,825							Galveston			45,141	42,987	40,558								
				Troy	74,752	52,585	45,250							Houston			246,357	174,213	2,367,034								
				Utica	22,050	43,650	40,125							Jackson			13,020	37,878	10,847								
				Waterbury	1,925	22,664	16,659							Kansas City			30,174	32,512	18,732								
				White Plains ..	25,525	33,911	19,967							Little Rock			13,453	26,869	12,873								
				Wilkes-Barre ..	48,593	47,141	54,520							Memphis			127,400	113,620	110,110								
				Williamsport ..	15,809	30,760	24,111							Mobile			22,088	42,870	23,766								
				Wilmington ..	53,947	70,424	59,770							Montgomery ..			24,873	15,220	18,105								
				Yonkers	68,354	293,060	98,825							Muskegon			3,960	1,160	6,980								
				York	42,541	17,635	12,524							Nashville			36,620	41,728	44,797								
				Total	\$8,645,813	\$7,700,326	\$12,767,484							New Orleans ..			110,490	916,103	75,541								
													Oklahoma City ..			92,300	28,505	70,282									
													Port Arthur ..			13,278	5,041	17,500									
													San Angelo			11,250	169,325	1,725									
													San Antonio			76,305	47,805	76,305									
													Shreveport			82,654	57,401	34,892									
													Tulsa			36,048	17,169	41,985									
													Waco			14,994	23,520	18,275									
													Wichita Falls ..			7,295	5,140	1,570									
													Total			\$1,866,873	\$3,101,277	\$3,358,589									

TEXTILE PRICES FIRM DESPITE SLOW TRADING

by C. S. WOOLSLEY

THE quiet buying in textile primary markets for a month or more has depressed prices so little on goods to be made that traders have come to place a sounder value on one of the important influences of the N.R.A. In establishing a minimum wage and shortening hours of work, a condition has come about that tends to make costs of production inelastic and thwarts the means frequently used in the past for accepting low bids for goods.

It is believed by primary handlers of mill products that this condition has had much to do with keeping prices steadier than in other quiet periods of trading in recent years. Whether this be the case or not, it is one of the singular facts that buyers have not been able to make as great headway recently in breaking down prices in mill sales channels as they were accustomed to in past seasons.

Stocks not Cumbersome

Much of the quiet reported is attributed to the desire of merchants to reduce inventories as much as possible, but for a different reason than in the past three years. Many converters and other large users of goods that bought directly from mills or their agents have had a fairly prosperous year. This is in sharp contrast with the experiences of other years when they were forced to take continuing losses from inventory shrinkages. Having done well on sales, they believe that by holding down commitments and inventories they will be able to present much better annual balance sheets and thus place themselves in a more advantageous credit position looking toward future bank accommodation.

Reports current among selling agents warrant the statement that stocks in first hands are in no wise cumbersome. Orders with mills have been growing small in several directions, but shipments have not been held up in the proportion naturally expected in a time of quiet buying. In retail channels, progress in disposing of large stocks of goods purchased at low prices has been good and has done much to maintain sales. These purchases were so advantageous in many important instances that store-keepers were able to hold up their profit margins while offering goods to consumers, frequently below replacement costs.

Production Curtailed

The contraction of production has aided considerably in the maintenance of asking prices in mill agencies but has not stimulated buying thus far. As the month opened it was announced that a resolution was approved for cutting down cotton mill output 25

per cent for December, which can be accomplished in many cases by granting the usual year-end vacation at Christmas time. Some progress is being made toward restoring wool goods production as Spring orders for men's and women's wear have been coming along more freely. Following the settlement of the strike, silk mills in New Jersey are reopening, after being closed nearly fourteen weeks.

Buying rayon yarns in advance of requirements was checked by the decision of the largest producer to refrain from booking January business until December 15. The output of finishing plants was further restricted by the decision of converters and others to reduce inventories and hold commitments down till the turn of the year.

The existence of a processor tax to be paid on all cotton opened at the mills has proved to be a strong force in regulating the output of heavy goods. Mills have shut

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down machinery when orders ran out rather than incur liability for a cash tax payment on goods to be stored to await buyers. Rapid progress was made during the month in adjusting claims arising from the effort of selling agents to pass processor taxes on to customers by clauses in contracts instead of including the added cost in the price.

N.R.A. Helps Industry

The N.R.A. continues to enlist hearty support in the textile industries, although it continues to suffer from the delays encountered in putting the rules into full force and effect in many other major industries. During the past month the finishers, converters, mercerizers, and thread manufacturers were all brought into working harmony under the cotton textile code, and steady progress was made in the other divisions in starting work trying to control trade evils through code practices.

While dry goods merchants have been affected in their planning for the future by monetary discussions, they have found new elements of sales possibilities in the distribution of aid to farmers and workers by the government. The Southern markets have been well maintained by the steady flow of money into that section and the activity of the textile industry

there. Now that funds are finding their way into other agricultural sections, supplementing the better prices current compared with a year ago, they look for sustained trade there. An immediate influence first noted a few weeks ago was the first payments on many municipal projects undertaken to relieve distress and employ workers for the Winter.

Good December Expected

It still is believed by selling agents that more buying than last year will be seen this month, in order to provide needed merchandise for the early Spring season. Buyers surely will find fewer cheap goods than they have been counting on, due to caution in producing for stock in mill channels, and to the sustained costs of production, whether measured by raw material, wage, or other charges that seem to be more inflexible than has been the case in other recent years.

More new goods have been coming into selling agencies for Spring, and there has been an especially good demand in secondary channels for what have come to be known as sports fabrics and were formerly classed as novelties and fancies. The trend noted a month or two ago toward higher qualities in yarn-dyed woven goods of cotton, better qualities in silk and

wool dress materials, and high grades of synthetic yarn merchandise has continued to attract comment as indicating a broader buying power in hitherto restricted channels.

Plans are afoot in Japan to restrict the output of cocoons to hold back silk production until stocks are reduced and better prices for raw silk are obtainable. The competition of rayon is affecting raw silk more seriously than any other one factor and the most recent statistics show continued light deliveries to mills and substantial stocks of raws in storage here.

Heavy Goods Move Slowly

While business has continued full in the print cloth and broadcloth divisions of the cotton industry, it has been light in the heavy goods divisions of cotton duck, coarse sheetings, and many miscellaneous lines that go into industrial uses. A very noticeable fact is that while many cotton goods prices are nearly double the low points of last year, there appears to be an irreducible minimum of value beyond which agents will not go at this time in any effort to secure late bookings.

Rayon producers have done very well this year and have become much more careful in conserving what has been gained.

DAILY SPOT PRICES AT LEADING COTTON CENTERS DURING NOVEMBER, 1933

	Wed. Nov. 1	Thurs. Nov. 2	Fri. Nov. 3	Sat. Nov. 4	Mon. Nov. 6	Tues. Nov. 7	Wed. Nov. 8	Thurs. Nov. 9	Fri. Nov. 10	Sat. Nov. 11	Mon. Nov. 13	Tues. Nov. 14	Wed. Nov. 15
New Orleans, cents.....	9.45	9.48	9.52	9.45	9.28	*	9.59	9.75	9.75	9.78	9.82	9.91	9.94
New York, cents.....	9.75	9.75	9.80	9.75	9.55	....	9.90	10.05	10.05	10.05	10.10	10.25	10.25
Savannah, cents.....	9.55	9.56	9.62	9.57	9.35	....	9.69	9.84	9.84	9.85	9.90	10.03	10.05
Galveston, cents.....	9.35	9.49	9.45	9.40	9.20	....	9.55	9.70	9.70	9.75	9.75	9.85	9.90
Memphis, cents.....	9.25	9.25	9.30	9.30	9.05	....	9.40	9.55	9.55	9.55	9.60	9.70	9.75
Norfolk, cents.....	9.53	9.56	9.62	9.57	9.35	....	9.69	9.87	9.89	9.90	9.95	10.13	10.13
Augusta, cents.....	9.55	9.56	9.62	9.58	9.35	....	9.69	9.84	9.84	9.84	9.90	10.03	10.05
Houston, cents.....	9.40	9.40	9.45	9.40	9.20	....	9.55	9.70	9.70	....	9.75	9.90	9.90
Little Rock, cents.....	9.13	9.21	9.27	9.22	....	....	9.33	9.48	9.48	9.47	9.54	9.67	9.70
Fort Worth, cents.....	9.10	9.10	9.15	9.20	8.95	....	9.30	9.45	9.45	9.45	9.50	9.65	9.70
Dallas, cents.....	9.10	9.10	9.15	9.20	8.95	....	9.30	9.45	9.45	9.45	9.50	9.65	9.70

	Thurs. Nov. 16	Fri. Nov. 17	Sat. Nov. 18	Mon. Nov. 20	Tues. Nov. 21	Wed. Nov. 22	Thurs. Nov. 23	Fri. Nov. 24	Sat. Nov. 25	Mon. Nov. 27	Tues. Nov. 28	Wed. Nov. 29	Thurs. Nov. 30
New Orleans, cents.....	10.08	9.94	9.94	10.01	10.01	9.96	9.77	9.90	9.83	9.63	9.70	9.77	*
New York, cents.....	10.40	10.20	10.15	10.25	10.25	10.15	10.00	10.10	10.10	9.90	10.05	10.10	....
Savannah, cents.....	10.19	9.99	9.98	10.04	10.06	9.98	9.82	9.92	9.84	9.61	9.73	9.80	....
Galveston, cents.....	10.05	9.85	9.85	9.95	9.95	9.90	9.75	9.85	9.80	9.60	9.70	9.75	....
Memphis, cents.....	9.90	9.70	9.70	9.75	9.75	9.65	9.65	9.75	9.70	9.45	9.60	9.65	....
Norfolk, cents.....	10.29	10.10	10.07	10.14	10.17	10.08	9.92	10.02	10.00	9.76	9.88	9.95	....
Augusta, cents.....	10.19	9.99	9.97	10.04	10.06	9.98	9.82	9.88	9.84	9.61	9.73	9.80	....
Houston, cents.....	10.05	9.85	9.85	9.95	10.00	9.95	9.75	9.85	9.80	9.60	9.70	9.75	....
Little Rock, cents.....	9.84	9.64	9.61	9.69	9.71	9.62	9.46	9.56	9.54	9.34	9.45	9.53	....
Fort Worth, cents.....	9.85	9.65	9.60	9.70	9.70	9.60	9.45	9.60	9.55	9.30	9.45	9.50	....
Dallas, cents.....	9.85	9.65	9.60	9.70	9.70	9.60	9.45	9.60	9.55	9.30	9.45	9.50	....

* Holiday

BUSINESS CONDITIONS, BY DISTRICT

Atlanta The approach of the holidays and colder weather has stimulated retail buying during November, with a good increase in sales noted in nearly all items. Stocks now are practically complete, and wholesale dealers report some recession in demand for merchandise other than for fill-in orders. Collections have improved materially over those for the same period last year.

Baltimore Although retarded by a late Thanksgiving, sales of holiday merchandise are expanding rapidly in the local market. Retail districts are crowded with shoppers, who desire to obtain the pick of the merchandise offered. Sales have been stimulated by the release of Christmas savings funds, and placing of men on the Public Works Administration pay rolls, liberal and aggressive advertising, as well as by moderate prices. Furniture dealers report tables, chairs and cellarettes in demand. Dealers in electrically-equipped house furnishings find a general improvement in the demand for all articles, such as lamps, vacuum cleaners, washing machines, and refrigerators.

Boston While manufacturing employment and pay rolls indicate that the mills and factories are operating on a level from 10 to 15 per cent above last year, retail sales have not fully responded to the increase in disbursements by the factories. Sales have increased seasonably, however, owing to holiday purchasing. The turnover of lower-priced merchandise is about the same as last year, but there has been a falling off in the number of sales of higher-priced articles. In department stores, November sales made the best showing in the piece goods department.

Chicago Retail trade during the latter part of November was some-

what irregular, but was bolstered by heavily advertised special sales. Trade reports also indicate that some of the "Loop" stores have been caught with women's heavy coat and Winter apparel inventories—a condition that is substantiated by the stressing of these items in newspaper advertising.

Holiday trade progressed nicely, considering the late date for Thanksgiving, and there was fairly good buying of the more expensive household equipment items to forestall price advances. Wholesale dry goods orders continued to decline, but in the hardware lines, orders were the largest since 1932.

Cincinnati Wholesale distributors in practically all lines have completed preparations for holiday trading, which now holds the center of interest. Peak activity is expected to develop following the annual distribution of Christmas savings funds. It is estimated that the greater portion will move into commercial channels. Retail sales continue in excess of the volume handled in November last year, and leading department stores expect to round out the year with a satisfactory margin of gains.

Cleveland Both retail and wholesale trade showed further gains during November. Department store sales increased moderately, and industrial employment again is on an upward trend. The employment of several thousand men in public works, started toward the close of the month, is expected to further bolster retail sales. Some increased activity in the tool and machinery trades is evident, attributed to automobile model changes, while steel production has shown little change.

Dallas Wholesale trade dropped into a seasonal slump during November, but even so the volume compared very favorably with that

of the corresponding week a year ago. Wholesalers in the clothing and dry goods lines are reducing their stocks preparatory to taking inventory.

Denver In the wholesale trade, the largest gains in November were recorded in the food and provision lines, as reorders for wearing apparel were curtailed by the warm weather throughout the Rocky Mountain trade territory. While retail sales forged ahead rapidly, due chiefly to the buying of Christmas gifts, weather conditions were not favorable for the distribution of wearing apparel and other lines of seasonable merchandise. Industrial operations continued to hold at a fairly steady level.

Detroit While no improvement is found statistically in the general business situation, according to current indices, retail trade during November held fully 6 per cent above the 1932 level. This is accounted for partly by the employment of some 9,000 men on C.W.A. public works. The holiday trade which was opened up actively toward the close of the month by the release of over \$50,000,000 of frozen deposits in closed local banks, showed a substantial gain over last year, and promises to be the best in two years. Industrial conditions in the Detroit area showed no new trend, holding about even on a seasonal basis.

Kansas City Leading wholesalers of dry goods, drugs, groceries, hardware and implements report, in a general way, that sales for November were slightly in excess of those for October. Retail sales generally also showed some slight upturn, both locally and in the country.

Reports have come from various parts of the trade territory that bonus money has been received from crops and this, together with the Government-aid projects that

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have been slowly getting under way, seems to have created a little more favorable outlook for the December business.

Los Angeles Retail trade in November was about even with that of October, which had dropped back moderately from August and September, and is below the normal of the past two years. Changeable weather retarded sales in many lines, and the stimulus of advancing prices felt during the late Summer months is no longer noted, to any extent. Automobile sales gave the most encouraging figures of the month, being well above the total of 1932 and the earlier months of this year. Motion picture production and tire manufacturing continue normally active.

Louisville There was a rather pronounced spurt in the movement of merchandise at retail during the opening weeks of November, but during the latter part of the month demand slackened somewhat, because of the continued warm weather. Wholesale business in most lines held fairly close to the October total, orders in most divisions being heavier than they were a year ago.

Milwaukee The trend of general information regarding industry and commerce in this district during November was favorable. The

Federal Public Works Program has taken the greater number off county relief rolls, and the effect doubtless will benefit trade in which the smaller and neighborhood stores will share.

Newark Sales at retail did not exhibit the seasonal expansion usually experienced during November, though lower temperatures accelerated slightly demand for textiles, including men's clothing and women's cloaks and suits. Footwear and shoes sold reasonably well; millinery and hosiery were in fair demand; groceries and provisions showed some improvement, due, in part, to the holiday season and colder weather.

Philadelphia November sales with local retail stores showed a favorable gain. Department stores and women's specialty shops reported a substantial improvement in the movement of nearly all items, with the active buying lifting volume definitely ahead of the 1932 record, accompanied by a sharp increase in collection percentages. Business toward the close of the month was bolstered by demand for Thanksgiving requirements which was nearly double that of last year, in addition to the early Christmas buying, which assumed large proportions. The wholesale markets recorded sustained activity, due to

the numerous reorders for Fall and Winter merchandise.

Pittsburgh The continuance of mild weather during November interfered, to some extent, with the movement of seasonal wearing apparel, but sales of holiday merchandise increased steadily, and were stimulated by the release of approximately \$1,600,000 in Christmas savings funds. Wholesalers of men's and women's wearing apparel generally reported a slowing-up in volume of sales, while wholesale dry goods houses averaged about the same as last month, with less movement of staple merchandise, but more activity in holiday lines. There was an increase in the sale of toys and electrical merchandise for the holiday trade, and jewelry sales also were larger. Industrial operations generally continued at approximately the same rate as in October.

Portland, Ore. The volume of November retail sales was disappointing, and failed to maintain the ratios of increase of the preceding three months. Christmas buying was delayed by the lateness of the Thanksgiving holiday, and the shortened shopping period shows every indication of developing into a disorganized assault upon the unbalanced inventories of the dealers.

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St. Louis General business conditions in this district with few exceptions appear to be on a sounder foundation and much of the unrest prevailing during the previous month has disappeared. The sales for the season, as reported by wholesale manufacturers and jobbers in the ready-to-wear clothing and shoe trade, have equalled or exceeded those for the same period for 1932.

Other kindred trades, such as millinery, manufacturers of lingerie, novelties, and knitting mills, express satisfaction with conditions up to the present period. Sales of drugs and heavy chemicals have shown an increase over the corresponding period for 1932, and manufacturers are pleased with the future. Conditions in the rural districts are reported favorable, with seasonal weather for early Fall planting.

San Francisco Reports from the retail trade during November were somewhat spotted, but for the most part were of a favorable tenor. Wholesale lines showed the year-end tapering off of orders, due to the approach of the inventory period. The lumber industry received a spurt of orders, in anticipation of a minimum price becoming effective.

Toledo Department store sales during November were about on a par with those of the preceding month, and showed a gain of approximately 10 per cent over a year ago. The wholesale dry goods trade has indicated little change, but the wholesale orders for shoes have increased, especially in the rubber goods line. Collections have shown considerable improvement.

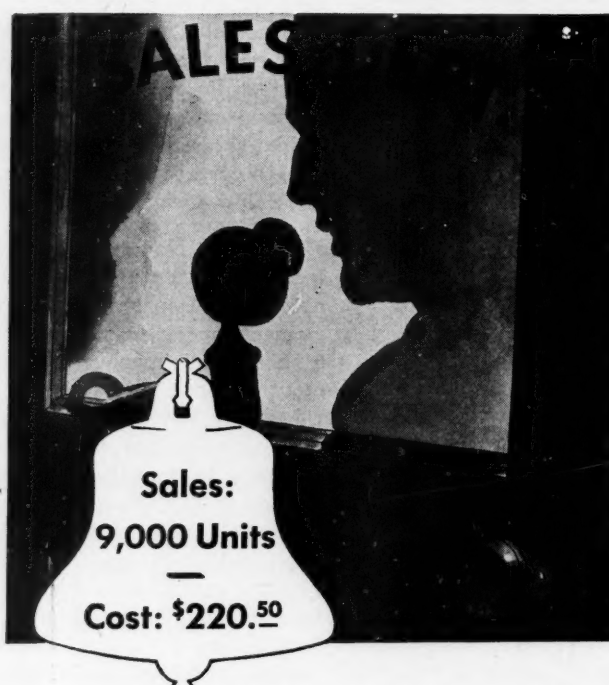
Wichita An improvement in trade, industry, and employment was noted during November. Government construction work was commenced here recently, and approximately \$48,000 is being paid these workers weekly. Retail sales have shown a slight increase, but these should be augmented with the ap-

pearance of more seasonable weather and the holiday season. A number of adjacent counties have received their government grain allotment, which should benefit those localities.

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